



**CITY COUNCIL  
MEETING MINUTES  
May 21, 2019**

**CALL TO ORDER/ROLL CALL**

A regular meeting of Powell City Council was called to order by Mayor Jon C. Bennehoof on Tuesday, May 21, 2019 at 7:33 p.m. City Council members present included Jon C. Bennehoof, Frank Bertone, Brian Lorenz, Melissa Riggins and Daniel Swartwout. Tom Counts and Brendan Newcomb were absent. Also present were Steve Lutz, City Manager; Eugene Hollins, Law Director; Megan Canavan, Communications Director; Debra Miller, Finance Director; Karen J. Mitchell, City Clerk; and interested parties.

**PLEDGE OF ALLEGIANCE**

**CITIZEN PARTICIPATION**

Mayor Bennehoof opened the citizen participation session for items not included on the agenda. Hearing none, Mayor Bennehoof closed the public comment session.

**PRESENTATION** - STATE AUDITOR AWARD OF DISTINCTION, by Keith Faber, Ohio Auditor of State presented Debra Miller, Finance Director, with the Auditor Award of Distinction.

**APPROVAL OF MINUTES – [May 6, 2019](#)**

MOTION: Councilman Lorenz moved to approve the minutes of May 6, 2019. Councilman Bertone seconded the motion. By unanimous consent of the remaining members, the minutes were adopted.

**CONSENT AGENDA**

**Item**

**Action Requested**

- *Departmental Reports – [April 2019](#)*

*Receipt of Electronic Reports*

MOTION: Councilman Bertone moved to adopt the Consent Agenda. Councilman Lorenz seconded the motion. By unanimous consent of the remaining members, the Consent Agenda was adopted.

**FIRST READING: [ORDINANCE 2019-20](#):** AN ORDINANCE AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$2,460,000 OF BONDS FOR THE PURPOSE OF (I) DESIGNING, ENGINEERING, CONSTRUCTING AND RECONSTRUCTING VARIOUS ROAD IMPROVEMENTS, WITH RELATED SITE IMPROVEMENTS AND APPURTENANCES THERETO; (II) DESIGNING, ENGINEERING, CONSTRUCTING AND RECONSTRUCTING VARIOUS WATER IMPROVEMENTS, WITH RELATED SITE IMPROVEMENTS AND APPURTENANCES THERETO; (III) DESIGNING, ENGINEERING, CONSTRUCTING AND RECONSTRUCTING VARIOUS SEWER IMPROVEMENTS, WITH RELATED SITE IMPROVEMENTS AND APPURTENANCES THERETO; AND (IV) CONSTRUCTING, IMPROVING AND RECONSTRUCTING VARIOUS IMPROVEMENTS TO PARKS AND RECREATION FACILITIES AND LANDS, WITH RELATED SITE IMPROVEMENTS AND APPURTENANCES THERETO, AND RETIRING NOTES PREVIOUSLY ISSUED FOR SUCH PURPOSE; AND RETIRING NOTES PREVIOUSLY ISSUED FOR SUCH PURPOSE, AND APPROVING RELATED MATTERS IN CONNECTION WITH THE ISSUANCE OF THE BONDS.

Steve Lutz, City Manager: This Ordinance, as well as the next two Ordinances, were reviewed by the Finance Committee last week. Debra will review them with you. For this Ordinance we have Brian Cooper, the City's Financial Advisor, here to speak about the refinancing. At the second reading we will have Matt Stout, the City's Bond Counsel, attend the meeting. He was scheduled to attend tonight but had a conflict.

Debra Miller, Finance Director: Assuming that this Ordinance is adopted after the second reading on June 4th that will begin the 30-day referendum period, which would expire around July 4<sup>th</sup>. It will give us slightly less than 30 days to price the bonds, do the remaining paperwork, and take out the notes on August 2<sup>nd</sup>. Mr. Cooper will explain the Ordinance more fully, but it allows the City to do either a competitive or a negotiated bond issue.

Brian Cooper, Director, Baker Tilley Municipal Advisor: For background, the City has outstanding notes that were used to fund Seldom Seen Park. Those notes are outstanding and coming due in mid-August for about \$2.3 million dollars. We have been in notes, in a short-term instrument, for a few years now. The TIF associated with the development is now producing cash and so instead of rolling notes every year now that we have the revenue stream established and know what it is, the recommendation is to go to bonds. We discussed that with Finance Committee. The thought is to do a 20-year bond issuance, rated by S&P. This Ordinance authorizes that issuance.

This is a parameters Ordinance so it approves the issuance of bonds within certain parameters, including maximum interest rates, maximum bond amount and everything is formalized in either a certificate of award or bond purchase agreement at the time of pricing. We keep that flexibility so that we can change the financial structure up until the time the bonds are sold. The process takes about 30 days once we are past the referendum period. Over the next 30-45 days, we will be working with the City to engage the rating agencies and discussions related to the City's credit, as well as preparing an official statement that is used as a primary disclosure document to market and sell the bonds. The Ordinance also authorizes the sale of the bonds on either a competitive basis or a negotiated basis. We reviewed some of the pros and cons of both methods of sale with Finance Committee and I am happy to discuss any other questions you might have.

Councilman Bertone: When we arrived, there was a new copy of this Ordinance on our table. The amount of the original Ordinance was \$2,345,000. The revised Ordinance is \$2,460,000. Can you explain the difference?

Mr. Cooper: The outstanding notes are \$2.330 million. We authorized the bonds in a 'not to exceed amount' to give us room to first pay for costs of issuance, which are budgeted at just over \$100,000 dollars, then we put approximately \$25,000 in as a buffer. We set the budget and then issue the exact amount that is needed.

Councilman Bertone: I appreciate Bricker Eckler's work. This is well written in terms of giving us latitude to consider both competitive and/or negotiated. I will not be here for the June conversation, so I want to make certain that folks understand some of the differences between negotiated versus competitive, so if you have any questions, feel free to ask Brian those. Truthfully, there are pluses and minuses to both. One locks you in and the other gives you a little more latitude. It just depends on what the market is that given day - we are subject to that. Picture City of Columbus, Dublin, and State of Ohio going out and pursuing a \$100 million dollars in bonds. On that given day our \$2.4 million dollars may seem very small, but we are somewhat locked in to the terms and conditions. Whereas, a negotiated deal would allow us to opt out of that date and go a little sooner or later, but we also have an opportunity to pre-market and look at investors for our opportunities. I know I am over simplifying, but essentially, it gives us a little latitude that we were seeking, so thank you for that.

Councilwoman Riggins: Can we clarify that it was only the amount that was changed [in the revised Ordinance]?

Karen Mitchell, City Clerk: Yes, that was the only change.

Mayor Bennehoof: As we get closer to that date, is that when it is decided whether we go to negotiated or [competitive]...[Councilman Bertone: We would probably want to do that sooner. As Debra has communicated, the timing is tight.]

Mr. Cooper: You want to put your plan together and then execute the plan, understanding that we have the flexibility to make a change if we need to change something.

What we talked about in Finance Committee was moving forward with a 20-year bond issuance, assuming a 10-year call. We can go shorter. We have complete flexibility on that under either method of sale, and utilize a competitive sale process. If the market becomes volatile, or something in the market warrants us switching to a negotiated, we have complete flexibility to do that. If we were going to move to a negotiated sale, we should take some proposals to evaluate what the various underwriting firms are proposing in terms of spread and take down in compensation for the bonds. When you do a competitive sale, all of that is wrapped up into the bid, and the bonds are awarded to the best bid. Either way works. I believe the City will get good execution on either method of sale and it is just a matter of making that decision and moving forward.

Mayor Bennehoof: Do I assume that you have an outlook of what the bond market looks like? Are you aware of Dublin and Columbus and Worthington going after \$250,000,000 in bonds?

Mr. Cooper: Millions of dollars of transactions are done every day. Every day there is about 60 deals in the market. It could be an \$850,000,000 New York deal; it could be a \$2 million dollar Powell or Wapakoneta deal. There are different buyers for different types of debt. The buyers that are interested in a \$100 million dollar City of Columbus GO are going to focus on purchasing those bonds and providing the lowest rates possible to put it in competitive bid to buy those bonds. The banks and financial institutions who are most interested in these bonds are going to put their best foot forward to purchase them from the City at the highest price. You do have flexibility under both models. It is a little easier to make changes and adjustments with a negotiated sale, but either way, the City retains complete flexibility even if the bids don't come in as expected, the bids can be rejected. The competitive sale gives every underwriting firm the ability to bid and the bonds are awarded to the financial institution that provides the lowest interest rate. On a negotiated sale, that underwriter is selected in advance and their primary function is to distribute the bonds and find purchasers for the bonds.

Mr. Lutz: The City has done both methods in the past, and we are not locked into any particular method.

Mayor Bennehoof: You mentioned rejecting the bids. Does that reset any clocks or is it just a matter of reject the bids and go out for more bids?

Mr. Cooper: You can reject the bids and go out for more bids. You could reject the bids and decide to do a negotiated transaction. One way or the other, the bonds will be sold simply because the City has notes that are coming due and we need to put the new financing structure in place to take out the old notes. Since we know about that maturity in advance, we have built in extra time into the time line so that if we did have that type of situation, we would have plenty of time to rework the plan if needed.

Mayor Bennehoof: And our good rating helps us with all of this, right?

Mr. Cooper: You have many good things going for you. First, you are AAA-rated – that is the highest credit rating possible. You are selling a bank qualified, limited tax, general obligation which is the



standard security structure. Powell is well known in the market. You have been to the market in the past, so investors understand who you are and what your credit is. The other thing you have going for you is Ohio volume is down, so issuance is down, and investors are clamoring to purchase Ohio bonds. There is a lot of competition for that type of paper.

Councilman Swartwout: As we have two different paths we can take, either competitive or negotiated, can you explain how the actual process of that will work, the oversight, the communication with the City, the communication with Council as the process unfolds and we determine which path to take?

Mr. Cooper: My preference would be to determine the path and then move forward. The parameters Ordinance basically kicks all of the decision making to the Finance Director. We keep an open line of communication. We will talk as often as four or so times in the next four weeks based on market conditions, the rating, all of those types of things. We will keep the City apprised of any changes in market conditions that would warrant us changing our game plan. The process is straightforward: first, we would get authorization to issue; second, we do the documentation and rating; and third, we get the rating. Once we have those three things we can go to the market with a negotiated offering or a competitive offering. The final decision needs to be made by late June. We are pricing deals every week this month so we know on both the competitive side and the negotiated side what the market is looking like and what investor interest is and are able to provide that experience back to the Finance Director and Council as we move forward. This is a typical issuance. We see issuances like this in Ohio on a frequent basis.

Mr. Lutz: To continue down the path of negotiated versus competitive sale, if we are looking at doing a negotiated sale then we need to start lining up underwriters [Mr. Cooper: Yes.]. Wouldn't the time to do that be sooner than later?

Mr. Cooper: I would recommend doing it sooner rather than later. If we are going to do a negotiated sale, what we would do is look at underwriters who are interested to either work with the City or underwriters that are active in the Ohio market, narrow that list down, and seek a proposal from at least three underwriters. The proposal would ask for proposed fees, proposed levels, and credit spreads so we can get an understanding of where they think the City's bonds would price in the market. Then we might ask for who is going to be assigned to the project and what type of underwriting experience they have for underwriting bonds in Ohio. I like to keep that process short and simple. Then you would review those proposals with the City and then choose the underwriter to be part of the process regarding the bond issuance.

Mr. Lutz: Would that be done between first and second reading so that at the next Council meeting we would have proposals from underwriters? Is that too soon?

Mr. Cooper: I would say we need three or so days to put together the request, and a week to respond. So a total of 1.5 - 2 weeks to go through that process before we have something back that you can actually evaluate.

Mayor Bennehoof opened this item to public comment. Hearing none, Mayor Bennehoof closed the public comment session.

Ordinance 2019-20 was taken to a second reading.

**FIRST READING: ORDINANCE 2019-21: AN ORDINANCE MODIFYING APPROPRIATIONS FOR THE CALENDAR YEAR 2019. (EX. A)**

Mrs. Miller: Over the last few years, the City has had some additional legal expenses that are over what has been budgeted. One of the pending lawsuits, however, is reimbursed by our risk management

insurance, so some of this money is recouped. I am asking for an additional \$75,000 to continue for the year.

Mayor Bennehoof opened this item to public comment. Hearing none, Mayor Bennehoof closed the public comment session.

Ordinance 2019-21 was taken to a second reading.

**FIRST READING: ORDINANCE 2019-22: AN ORDINANCE MODIFYING APPROPRIATIONS FOR THE CALENDAR YEAR 2019. (EX. A)**

Mrs. Miller: I am requesting \$3,000 from the City Council contingency fund [for the splash pad]. We have been lucky over the last few years that we have been able to stay within the operating budget for the splash pad. As those of you who have been on Council for a while may remember, for a number of years after it was installed in 2005/2006, we were coming back every year [for additional money]. This was because of the type of structure - it was built with an underground motor – that caused multiple additional mechanical problems. That model is no longer produced this way, but it does make for higher than normal operating expenses. We need \$3,000 for parts to be able to open for the season.

Mayor Bennehoof: I understand you are not the facilities person, but has that underground situation been revised?

Mrs. Miller: We still have it underground. I would defer to Silas [Bowers, Assistant Parks & Rec and Public Service Director] about changing that or if it needs a major overhaul. It is approximately 15 years old, but I would assume we have at least another five or so years [of life in it].

There is a rush on this one if we want to open this year.

Councilman Swartwout: The splash pad would not be able to open on time?

Mrs. Miller: Regarding the splash pad portion, this request is for parts they need now to be able to open next week.

Mayor Bennehoof opened this item to public comment. Hearing none, Mayor Bennehoof closed the public comment session.

MOTION: Councilman Bertone moved to suspend the rules regarding Ordinance 2019-22. Councilman Swartwout seconded the motion.

VOTE: Y 5 N 0

MOTION: Councilman Bertone moved to adopt Ordinance 2019-22. Councilman Swartwout seconded the motion.

VOTE: Y 5 N 0

## COMMITTEE REPORTS

**Development Committee:** Next Meeting: July 2, 2019, 6:30 p.m.

**Finance Committee:** Next Meeting: June 11, 7:00 p.m.

**Operations Committee:** Next Meeting: May 21, 2019, 7:00 p.m. We met earlier tonight and discussed a couple of items. We had a recap on the Street Market, and some discussion revolving around signage for the next Street Market. Our next meeting will be a meeting/open house for residents, business owners and anyone interested in having conversation regarding limitations of turns at the Four Corners. The Operations Committee will be able to come forward with a recommendation to Council on changing or leaving the established hours limiting turns as they are.



**Planning & Zoning Commission:** Next Meeting: June 12, 2019, 7:00 p.m. There are no submittals at this time.

**Powell CIC:** Next Meeting: May 29, 2019, 6:00 p.m. We will have the Downtown business owners in to discuss signage for the Street Market. The Chamber has leased the 44 Center for Business so we are generating some revenue there.

### CITY MANAGER'S REPORT

Monday is the City's annual Memorial Day parade. City Council will lead off the parade by handing out flags. We will meet on Grace Drive near the post office and depart at 9:45 a.m. sharp.

The City did receive a \$498,000 grant from Ohio Public Works to be used to make improvements at the intersection of N. Liberty and Seldom Seen Road. We will be adding turn lanes and a traffic signal. As part of our budget process, we budgeted for the entire project, so this will allow us to reduce the budgeted amount to close to \$500,000. This project is scheduled to be under construction next spring.

### OTHER COUNCIL MATTERS

There was none.

**EXECUTIVE SESSION:** O.R.C. Section 121.22(G)(1) Personnel Matters, O.R.C. Section 121.22(G)(3) Pending or Imminent Litigation, and O.R.C. Section 121.22(G)(8) Economic Development.

MOTION: Councilman Lorenz moved at 8:08 p.m. to adjourn into Executive Session pursuant to and O.R.C. Section 121.22(G)(1) Personnel Matters; O.R.C. Section 121.22(G)(3) Imminent or Pending Litigation; and (8) Economic Development. Councilman Bertone seconded the motion.

VOTE: Y 5 N 0

MOTION: Councilman Bertone moved at 9:45 p.m. to adjourn from Executive Session into Open Session. Councilman Swartwout seconded the motion.

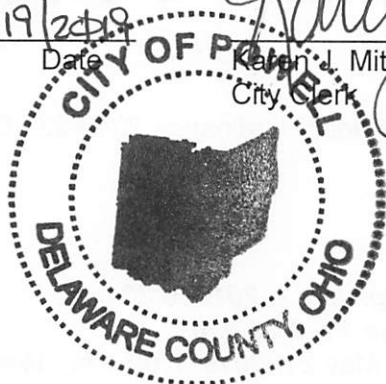
VOTE: Y 5 N 0

### ADJOURNMENT

MOTION: Councilman Swartwout moved to adjourn the meeting at 9:45 p.m. Councilman Lorenz seconded the motion. By unanimous consent of the remaining members, the meeting was adjourned.

**MINUTES APPROVED:** June 4, 2019

		
Jon C. Bennehoof	Rachel J. Mitchell	
Mayor	City Clerk	



City Council  
Jon C. Bennehoof, Mayor

Frank Bertone	Tom Counts	Brian Lorenz	Brendan Newcomb	Melissa Riggins	Daniel Swartwout
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