

*MINUTES OF THE
BUILDING AUTHORITY OF COLUMBUS*

December 3, 2019

Deputy City Manager Conference Room - CCG Annex Building, 420 10th Street

MEMBERS PRESENT: Vincent Allen, Board Chairman; Leila Carr, Vice Chairman; Angelica Alexander, Board Secretary/Treasurer; Renee Sturkie, Assistant Board Secretary; Olive Vidal-Kendall, Assistant Board Secretary; Christopher Smith, Board Member

MEMBERS ABSENT: No members were absent

OTHERS ATTENDING: Pamela Hodge, Deputy City Manager; Lucy Sheftall, Assistant City Attorney; Rob McKenna, Board Counsel; Jon Pannell, Bond Counsel

COUNSELORS: Rob McKenna, Board Counsel; Jim Pannell, Bond Counsel; Doug Gephardt, Davenport & Company

CALL TO ORDER:

Board Chairman, Vincent Allen, called the December 3, 2019 meeting of the Building Authority of Columbus to order. A quorum was present, and notice was given regarding attendance.

INFORMATIONAL ITEMS:

Presentation of RFP Results for Series 2019A Bond – Davenport & Company
Doug Gephardt of Davenport & Company presented the board regarding potential lenders and share information concerning the process. On Wednesday, November 13, we sent out the RFP to a number of local regional and national lending institutions for the series 2019A bonds. The Thursday before Thanksgiving, we received seven proposals from seven lending institutions. While we preferred a 20-year amortization for the cash flow purposes, we requested a 15-year amortization in the event a 20-year option was not provided from the lending institutions.

We are pleased to report we did provide 5 bids back, with Synovus providing the lowest interest rate on those. Synovus provided a 20-year option at 2.07%. It is fixed for the full 20-year term for the full \$5 million. The bank is charging no fees for this, no closing fees, no lenders cancel fees as long as we remain on track on closing. One of the things we thought was most attractive in addition to the interest rate, was that they require no prepayment provisions. So, in the event interest rates cooperate or something happens down the line, we are able to refinance at any time with no prepayment penalties or provisions associated with that.

We asked for the 15-year rate. Synovus provided a 2.07%, which was lower than all of the 15-year rates combined. The fact that we were able to go 20 years at a substantially low interest rate was remarkable.

Mr. Gephardt presented on the estimated debt service on the \$5 million bond issuance starting in Fiscal Year 2021. There is roughly \$310 thousand a year of that service and combined principal and interest over the 20-year term. Our recommendation is that the Building Authority accept the bid from Synovus and adopt the bond resolution. The rationale is that the 2.07

provided the lowest interest rate for the 20-year term we were looking for, they do allow for the now prepayment, the interest rate is fixed between now and closing. Some folks provided indicative rates, meaning that it could change between now and the closing date. But theirs was fixed between now and then. There are no closing costs. And it is a bank loan that will be fixed until final maturity. So, there is not going to be resets down the line. So, all in all it is a fantastic result. Well below our planning rate.

ACTION ITEMS:

a. Approval of Bond Resolution for Series 2019A Bonds

Vince Allen called for a motion for approval of the Bond Resolution contingent upon approval of city council. Renee Sturkie made the motion to approve the bond issue. It was seconded by Chris Smith. The board voted and unanimously approved.

b. Approval of Lease Contract between Columbus Building Authority and Columbus, GA

Vince Allen called for a motion to approve the Lease Contract. Renee made a motion for approval of the Lease Contract between Columbus Building Authority and Columbus, GA. Chris Smith seconded the motion. The board voted and unanimously approved.

c. Approval of September 24, 2019 CBA Board Meeting Minutes

Vince Allen called for a motion to approve the minutes from the September 24, 2019 meeting. Renee Sturkie made a motion to approve the minutes from the September 24, 2019 Columbus Building Authority Board Meeting minutes. Chris Smith seconded the motion. The board voted and approved.

Renee Sturkie was excused from the meeting.

Some additional discussion regarding the property occurred.

OLD BUSINESS:

None.

NEW BUSINESS:

None.

The meeting was adjourned.

Glen Arrington
Glen Arrington
Recording Secretary