

# **City of Gainesville**

*City Hall  
200 East University Avenue  
Gainesville, Florida 32601*



## **Meeting Agenda**

**January 11, 2018**

**5:30 PM**

**Modified Agenda**

**City Hall Auditorium**

## **Utility Advisory Board**

*Annie Orlando  
Darin Cook  
David Denslow  
Robert Walpole  
Mary Alford  
Sandra Campbell  
Michael Selvester*

*Persons with disabilities who require assistance to participate in this meeting are requested to notify the Office of the Equal Opportunity at 334-5051 or call the TDD phone line at 334-2069 at least two business days in advance.*

**CALL TO ORDER****ROLL CALL****ADOPTION OF CONSENT ITEMS**

[170718.](#) Approval of Minutes of the December 14, 2017 UAB Meeting (B)

**RECOMMENDATION**      *Approve as drafted.*

[170718 UAB 12.14.17 Meeting Minutes 20180111](#)

**ADOPTION OF THE AGENDA****CITIZEN COMMENT****STATE OF THE UTILITY**

[170725.](#) GRU Operational Updates for December 2017 (B)

*Explanation: This is GRU's operational data report for the month of December 2017.*

**RECOMMENDATION**      *Receive a report.*

[170725 Dec 2017 Ops Update 20170111](#)

**OLD BUSINESS**

[170719.](#)      **Alternative Options to Synthetically fix the 2017 Series C Utility System Revenue Bonds (B)**

*Explanation: At the Utility Advisory Board meeting of December 14, 2017, the Board requested a report regarding the potential implementation of a "costless collar" to synthetically fix the 2017 Series C Bonds. As a reminder, in November 2017 the City issued just under \$681 million in three series of revenue bonds to finance the acquisition of the Deerhaven Renewable facility: \$415,920,000 of 2017 Series A fixed rate bonds, \$150,000,000 of 2017 Series B variable rate bonds that were synthetically fixed through swap agreements, and \$115,000,000 of 2017 Series C variable rate bonds that to date have remained unhedged.*

*Bank of America approached City staff with a proposal to fix the 2017 Series C bonds by entering into an interest rate collar. Under this proposal, the City would enter into two interest rate option agreements.*

The first would be to purchase an interest rate cap, which would define a cap strike rate or maximum interest rate that the City would be obligated to pay over the life of the collar, and a time period for which the cap would be in effect. At the same time the City would sell an interest rate floor which would establish a floor strike rate or minimum interest rate the City would pay over the term of the collar. The collar thereby establishes an interest rate range demarcating minimum and maximum rates the City would be obligated to pay over the life of the collar.

As staff discussed the proposal with our financial advisor PFM, in the interest of making certain that all avenues of potentially fixing out the variable rate debt of the 2017 Series C bonds were provided to the Board, they offered several other alternatives:

- A swap agreement similar to the agreement used to synthetically fix the 2017 Series B variable rate debt.
- Purchase of an interest rate cap - under this scenario GRU would make an up-front payment to a counterparty to set an interest rate above which GRU would not be obligated to pay.

*Fiscal Note:* The alternatives offered would fix the current variable rate debt associated with the 2017 Series C bonds.

**RECOMMENDATION**            The Utility Advisory Board receive a presentation regarding alternatives to synthetically fix 2017 the Series C variable rate bonds.

[170719 2017C Synthetic Alternatives Presentaiton 20170111](#)

### [170603.](#)

#### **Utility Advisory Board Terms and Qualifications (B)**

*Explanation:* At their December 7, 2017, regular meeting, the Commission discussed the terms of the Utility Advisory Board members and debated how to fill the current and upcoming vacancies (three in all). They thought it would be prudent to seek the Board's advise on how to handle filling the seats, as well as have the Board look at the existing qualifications defined in Ordinance #140384 and to make a recommendation on establishing a procedure for assessing disclosure of conflict of interest and financial disclosure.

After the discussion, the Commission voted unanimously to advertise the current vacancy and the two upcoming vacancies at the same time, refer to the UAB discussion and recommendation back to the commission for the different classifications for members of the UAB, as well as a suggestion on how to assess conflict of interest and financial disclosure.

The UAB discussed this item at their December, 14, 2017. Now in anticipation of the first meeting of the newly-created governance sub-committee, the UAB Chair wants to have further discussion about how to categorize qualifications.

**RECOMMENDATION**            Discuss and take any action deemed appropriate.

[170603 UAB Terms - Customer Class Represented 20171207](#)

[170603 Transcription of Item from CCom Mtg 20171214](#)

[170603 UAB Qualifications per Ordinance 20171214](#)

[2017 State COE Public Recs Training Submitted by M.Alford 12.14.17](#)

## NEW BUSINESS

[170720.](#)

Human Resources for GRU (NB)

*Explanation: The UAB chair requested a discussion on the amount of time it takes to hire someone at GRU and GRU pay scales.*

RECOMMENDATION      *Discuss.*

## MEMBER COMMENT

## CITIZEN COMMENT

## NEXT MEETING DATE

*February 8, 2017*

## ADJOURNMENT