

City of Gainesville

City Hall
200 East University Avenue
Gainesville, Florida 32601



Meeting Agenda - Final

April 16, 2020

5:30 PM

TELECONFERENCE MEETING

City Commission

Mayor Lauren Poe (At Large)
Commissioner Helen Warren (At Large)
Commissioner Gail Johnson (At Large)
Commissioner Gigi Simmons (District 1)
Mayor-Commissioner Pro Tem Harvey Ward (District 2)
Commissioner David Arreola (District 3)
Commissioner Adrian Hayes-Santos (District 4)

If you have a disability and need an accommodation in order to participate in this meeting, please contact the Office of Equal Opportunity at (352)334-5051 at least two business days in advance. TTY (Text Telephone Telecommunication Device) users please call 711 (Florida Relay Service). For Speech to Speech (STS) relay, please call 1-877-955-5334. For STS Spanish relay, please call 1-877-955-8773. For STS French Creole relay, please call 1-877-955-8707.

Welcome to the City Commission meeting!

We're glad you're here. Please review the meeting process and how you can participate.

What is the Meeting Agenda? The City Commission makes policies and conducts the city's business in an open and transparent forum. The agenda is an outline of what will happen during the meeting. It includes the following sections:

Adoption of Consent Agenda (CA): The Consent Agenda is a group of business items that are voted on together in one motion. These items are not discussed separately. The Commission may remove an item to discuss it during the meeting or at a later meeting.. This process saves time for the Commission to discuss items on the Regular Agenda.

Adoption of Regular Agenda: The Commission must approve the order of items on the Regular Agenda, which is the list of items set for discussion. The Commission can also re-order or remove items.

The **(B)** after an item's title means that there are materials, called Backup, in support of the item. Click the links on the agenda to view the documents. An **(NB)** after an item's title means there are no Backup materials for the item.

How to Share Your Opinion. Your opinion is important to the City Commission. There are multiple ways to add a comment to the official record.

Submit Written Public Comment: You may write a public comment on any City Commission Meeting agenda item. Visit our website, www.cityofgainesville.org, and go to the "Agendas & Minutes" tab. Click on the "eComment" link in the right-hand column. Written comment opens when the agenda is published the Friday before the meeting and closes one (1) hour before the start of the meeting. Your comments will be sent to the City Commissioners and added to the official record.

Speak at a Public Meeting: Any member of the public may sign up to speak at a City Commission meeting. Visit our website, www.cityofgainesville.org, and go to the "Agendas & Minutes" tab on our website. Click on the "eComment" link in the right-hand column and register to speak on a specific agenda item. Online registration closes one (1) hour before the meeting is called to order. You may also register on the sign-up sheet in the Auditorium before the meeting begins. Speakers will be called to the podium by name and should address their comments to the Chair of the meeting, usually the Mayor. There are two types of public comment during Commission Meetings:

General Public Comment: The public is invited to speak to the Commission for three (3) minutes about any topic, as long as it is not on the Agenda. This is an opportunity to bring up new ideas or issues to the Commission. Each person may speak during one comment period: at the start of the 1pm session, at the start of the 5:30pm session, or at the end of the meeting. The Commission will not discuss or make decisions on ideas presented during this time. Comments may be referred to City staff for follow up.

Public Comment on Agenda Items: The Commission may request public comment on specific agenda items during discussion. Speakers may have three (3) minutes and comments must stay focused on the agenda topic at hand.

Early Public Comment: The Commission has created Early Public Comment to allow community members to speak on agenda items without waiting for the item to be called during the meeting. Speaking at Early Public Comment waives the right to speak later during the meeting. Members of the public may speak for three (3) minutes on one agenda item or five (5) minutes on two or more items. Speakers should begin their comments by announcing which items they are addressing so the timeclock can be set properly.

The City of Gainesville encourages civil public speech. Disruptive behavior is not permitted during City Commission meetings. Please do not bring food, drinks, props, signs, posters, or similar materials into the Auditorium. Cheering and applause are only permitted during the Proclamations/Special Recognitions portion of the meeting.

We look forward to a productive meeting and are glad you have joined us.

5:30pm - CALL TO ORDER**AGENDA STATEMENT**

"Individuals are encouraged to participate in City of Gainesville meetings. In general, speakers will be limited to 3 minutes for general public comment once during the meeting. Speakers who wish to participate in early public comment will be limited to 3 minutes to speak on one agenda item or 5 minutes if they wish to speak on several agenda items. If speakers do not participate in early public comment, speakers will be limited to 3 minutes per agenda item. The City of Gainesville encourages civility in public discourse and requests that speakers direct their comments to the Chair. Signs, props and posters are not permitted in the meeting room."

ROLL CALL**INVOCATION**

[191147.](#)

Supplemental City Commission Rules Governing Virtual Public Meetings (B)

Resolution No. 191147

A resolution providing supplementary rules of procedure governing virtual meetings of the City Commission during the declared State of Emergency for the COVID-19 Pandemic; providing a severability clause; providing for suspension of conflicting provisions; and providing an effective date and duration.

Explanation: The City Commission adopts these Supplemental Rules to provide written notice of how virtual (i.e., not held in-person at a physical location) public meetings of the City Commission will be conducted in accordance with Florida law during the duration of the Declared State of Emergency for the COVID-19 Pandemic.

Upon adoption, the City Commission may conduct any of its meetings (e.g., Regular Meetings, Special Meetings, Workshop Meetings and/or Committee Meetings) as virtual meetings through the use of phone and/or video conferencing (including use of any software platforms) in accordance with this Resolution, Resolution No. 180943 and applicable Florida law. In accordance with the Governor's Executive Order 20-69, this Resolution will remain in effect during the time that Executive Order 20-52 is in effect (currently until May 8, 2020), including any extensions issued by the Governor of Florida, unless this Resolution is earlier repealed by the City Commission.

RECOMMENDATION

Adopt the Resolution.

[191147_draft resolution_20200416.pdf](#)

ADOPTION OF CONSENT AGENDA (CA) - GRU, General Government, Audit & Finance Committee and General Policy Committee Items

- CA-1 [191134.](#) Ratification of Amendments to the Agreement between the Communications Workers of America (CWA), Local 3170, Non-Supervisory Unit and the City of Gainesville for January 1, 2019 through December 31, 2021 (B)**

This item is to ratify amendments to the three year successor agreement between the City and the CWA Non-Supervisory Bargaining Unit.

Explanation: These amendments have been reached through negotiations between the Communications Workers of America (CWA), Local 3170, Non-Supervisory Unit and the City of Gainesville, and were ratified by the Communications Workers of America (CWA), Local 3170, Non-Supervisory Unit on April 14, 2020. The amendments become part of the current Agreement, which is effective through December 31, 2021.

A copy of the amendments is on file in the Office of the Clerk of the Commission. After April 16, 2020, they will be on file in the Human Resources Department.

Fiscal Note: The cost impact of the FY 20 raises is included in the FY 20 budget. Funding for FY 21 raises will be included in the FY21 proposed budget.

RECOMMENDATION *The City Commission ratify amendments to the Agreement between the Communications Workers of America (CWA), Local 3170, Non-Supervisory Unit and the City of Gainesville, extending the Agreement through December 31, 2021.*

[191134A_CWA Non-Supervisory 2020 Amendments \(clean\)_20200416.pdf](#)

[191134B_CWA Non-Supervisory 2020 Amendments \(striketrough\)_20200416.](#)

- CA-2 [191135.](#) Ratification of Amendments to the Agreement between the Communications Workers of America (CWA), Local 3170, Supervisory Unit and the City of Gainesville for January 1, 2019 through December 31, 2021 (B)**

This item is to ratify amendments to the three year successor agreement between the City and the CWA Supervisory Bargaining Unit.

Explanation: These amendments have been reached through negotiations between the Communications Workers of America (CWA), Local 3170, Supervisory Unit and the City of Gainesville, and were ratified by the Communications Workers of America (CWA), Local 3170, Supervisory Unit on April 14, 2020. The amendments become part of the current Agreement, which is effective through December 31, 2021.

A copy of the amendments is on file in the Office of the Clerk of the Commission. After April 16, 2020, they will be on file in the Human Resources Department.

Fiscal Note: The cost impact of the FY 20 raises is included in the FY 20 budget. Funding for FY 21 raises will be included in the FY21 proposed budget.

RECOMMENDATION

The City Commission ratify the Agreement between the Communications Workers of America (CWA), Local 3170, Supervisory Unit and the City of Gainesville, extending the Agreement through December 31, 2021.

[191135A_CWA Supervisory 2020 Amendments \(clean\)_20200416.pdf](#)

[191135B_CWA Supervisory 2020 Amendments \(striketrough\)_20200416.pdf](#)

CA-3 [191140.](#)

Extend Hippodrome State Theatre, Inc. Lease Agreement (B)

This is a request to extend the Hippodrome State Theatre, Inc. lease agreement with the City through July 1, 2031 in order to be eligible for State of Florida Division of Cultural Affairs Cultural Facilities Program Funds.

Explanation: The City of Gainesville has had a lease agreement with the Hippodrome State Theatre, Inc. for the past 39 years. A second 20-year lease was entered into on July 1, 2000, which was to continue until July 1, 2020. On September 9, 2002 the City Commission approved an extension of the lease agreement by 5 years from July 1, 2020 to July 1, 2025. In 2016 Hippodrome staff has requested that the lease be extended in order for them to apply and be eligible for the 2017-18 Florida Division of Cultural Affairs Cultural Facilities Program funds. Application guidelines require that agencies applying for funds have at least a minimum lease of 10 years on the facility for the category of Building Renovations Improvements. To ensure the Hippodrome's eligibility for the 2017-2018 grant cycle, a second amendment extending the lease to July 1, 2027 was approved by the City Commission and entered into on February 10, 2017. In order for the Hippodrome to now be eligible for Fiscal Year 2021-22 grant funding, the current lease needs to again be extended by an additional four years through July, 1, 2031. City staff plans to review and revise the July 1, 2000 lease with the Hippodrome State Theatre, Inc. in the upcoming year including the possibility of a one-year rolling extension of the lease in future years to continually allow for the 10-year

lease requirement to be in place for future grants.

Fiscal Note: The City of Gainesville currently grants the Hippodrome State Theatre, Inc. \$250,000 annually for rent payments by waiving the payment requirement for rent as required in the lease. The rent amount has not changed since the initial Lease Agreement between the City and Hippodrome State Theatre, Inc.

RECOMMENDATION

The City Commission: 1) approve a four year extension to the lease agreement with the Hippodrome State Theatre, Inc. and 2) authorize the City Manager or his designee to execute the appropriate documents, subject to approval by the City Attorney as to legality and form.

[191140A Signed Complete Lease through 2nd Amendment Hipp 20200416.pr](#)

[191140B Hippodrome Lease Third Amendment 20200416.pdf](#)

[191140C Lease extension request 20200416.pdf](#)

CA-4 [191144.](#)

License Agreement between the City of Gainesville, Florida and the District Board of Trustees of Santa Fe College, Florida (B)

This item is a request for the City Commission to approve a License Agreement between the City of Gainesville (“City”) and the District Board of Trustees of Santa Fe College, Florida (“Santa Fe”).

Explanation: As part of Santa Fe’s new construction of the Santa Fe College Blount Hall, located at 530 West University Avenue, Gainesville, Florida 32607, a License Agreement has been requested by Santa Fe from the City.

The area the License Agreement would cover is a portion of Tax Parcel No. 14497-001-000. The whole parcel was conveyed by CSX Transportation, Inc. to the City on December 26, 1986 and was recorded on May 5, 1987 in Official Records Book 1661, Page 662 in the Public Records of Alachua County, Florida.

Santa Fe desires to obtain the License Agreement from the City for the purpose of constructing, maintaining, and operating associated stormwater basins and an open-air plaza that is accessible to pedestrians and non-motorized vehicles.

Licensee will install and maintain utility infrastructure, sidewalks, curbs, hardscape, trellis, lighting, outdoor furniture, landscaping, and bike racks on the Property. Licensee agrees to submit plans to the City Manager or designee for approval prior to any construction on the Property.

The initial term of the License Agreement will be 40 years with a year-to-year renewal subsequently.

Fiscal Note: The Licensee agrees to pay the City as monetary compensation for this license the sum of One (\$1.00) Dollar per year.

RECOMMENDATION

The City Commission: 1) approve the License Agreement between the City of Gainesville and the District Board of Trustees of Santa Fe College, Florida; and 2) authorize the Mayor to execute, and the Clerk to attest, the License Agreement between the City of Gainesville and the District Board of Trustees of Santa Fe College, Florida, subject to approval by the City Attorney as to form and legality.

[191144A_License Agreement for SF and CITY_20200416](#)

CA-5 [191146.](#)

Proposed Revision to EO-7 (B)

A policy revision adding mandatory EEO training for new supervisors or managers. An additional policy revision requiring disciplinary actions will be reviewed in accordance with equal opportunity laws.

Explanation: The Equal Opportunity Office, in reviewing the City's EO policies for compliance with changes in State and federal regulations, is proposing immediate changes to EO-7. The changes are necessary to ensure continued compliance with federal regulations and the ongoing receipt of certain funding.

RECOMMENDATION

The City Commission adopt the proposed policy change.

[191146_Equal Opportunity Policy Number EO-7_20200407.pdf](#)

ADOPTION OF REGULAR AGENDA

BUSINESS DISCUSSION ITEMS (BD) - GRU and General Government items placed on the agenda by the Charter Officers or moved from Consent.

RESOLUTIONS - ROLL CALL REQUIRED (RE)

RE-1 [191131.](#)

Resolution Accepting Report of Alachua County Board of Canvassers - Elections 2020 (B)

A resolution of the City Commission of the City of Gainesville, Florida, accepting the report of the Alachua County Board of Canvassers for the City of Gainesville, Florida, election held March 17, 2020; and providing an immediate effective date.

Explanation: On March 17, 2020, a city election for the election of Commissioners for the At Large 2, District 2, and District 3 Seats was held.

The Report of the Alachua County Board of Canvassers for the City of Gainesville showing that Reina Elisa Saco was elected to the At Large 2 Seat, that Harvey Ward, Jr. was elected to the District 2 Seat, and that David Arreola was elected to the District 3 Seat, is adopted by this resolution of the City Commission.

RECOMMENDATION

The City Commission adopt the proposed resolution.

[191131_draft resolution_20200416.pdf](#)

RE-2 [191113.](#)

State Housing Initiatives Partnership (SHIP) Program Local Housing Assistance Plan-State Fiscal Years 2020-2023 (B)

This item requests the City Commission approval of the proposed SHIP Local Housing Assistance Plan covering State Fiscal Years 2020/2021, 2021/2022 and 2022/2023, resolution and required certifications.

Explanation: Since 1992, the City of Gainesville has participated in the SHIP Program, which provides Florida cities and counties with funds to implement programs to promote and preserve affordable housing and home ownership. State law requires cities to adopt a Local Housing Assistance Plan (LHAP) to receive SHIP funds. The LHAP describes program activities and management plans for the utilization of funds through public/private partnerships which expand the production and preservation of affordable housing within the municipal limits of the City of Gainesville. The LHAP addresses several affordable housing needs in the community, including home ownership, housing rehabilitation, new construction, down-payment assistance, mortgage foreclosure intervention, and rental housing. The goal of the plan is to provide affordable housing opportunities for income eligible residents within the City.

During the development of the LHAP, staff solicited public input and neighbor participation through a series of meetings held in December 2019, January 2020 and February 2020. Participants included neighbors, housing providers, realtors, social service providers and other groups involved in the provision of affordable housing.

Through public input, the community affirmed that the City's existing housing programs address many of their affordable housing needs. In particular, the community supports Owner Occupied Rehabilitation and Down Payment Assistance, which are the programs that generally receive the most applications for assistance.

In General, the proposed LHAP contains strategies that are similar to the current version. However, to increase the amount of affordable units built or rehabilitated, the proposed LHAP would implement two changes; 1) increase maximum funding allocations; and 2) add flexibility for utilizing SHIP funds for development of affordable units. Because the LHAP proposes to increase the maximum funding amounts for fiscal years 2020-2023, staff also proposes increasing the CDBG and HOME funding program awards. This will allow the federal funding sources to be equivalent to the proposed awards for the SHIP Program.

Fiscal Note: It is expected that the Housing Trust Fund will receive full funding and an estimated annual SHIP Program allocation will be provided by the Florida Housing Finance Corporation at a later date.

RECOMMENDATION

The City Commission: 1) Adopt the resolution approving the State Housing Initiatives Partnership Program Local Housing Assistance Plan for State Fiscal Years 2020/2021, 2021/2022 and 2022/2023; 2) authorize the submission of the 2020-2023 Local Housing Assistance Plan to the Florida Housing Finance Corporation; 3) authorize the Mayor to execute the Interlocal Agreement Between the City of Gainesville and Alachua County for the Rental Assistance Program, subject to review by the City Attorney as to form and legality; and 4) authorize the Mayor and/or City Manager or designee to execute all necessary documents related to the 2020-2023 Local Housing Assistance Plan, subject to review by the City Attorney as to form and legality.

[191113A City of Gainesville LHAP 2020-2023 20200416.pdf](#)

[191113B Exhibit A 2020 Admin Budget 20200416.pdf](#)

[191113C Exhibit B 2020 Timeline for Expenditures 20200416.pdf](#)

[191113D Exhibit C 2020 Goals Chart 20200416.pdf](#)

[191113E Staff Presentation 20200416.pdf](#)

[191113F Engagement Note 20200416.pdf](#)

[191113G Exhibit D 2020 Certification 20200416.pdf](#)

[191113H Exhibit E 2020 Resolution 20200416.pdf](#)

RE-3 [191017.](#)

**Resolution and Perpetual Easement Request for Florida
Department of Transportation from the City of Gainesville (B)**

This item involves the request for adoption of a Resolution and grant of a Perpetual Easement from the City of Gainesville to the Florida Department of Transportation (FDOT).

Explanation: The Florida Department of Transportation (FDOT) is constructing a new two-lane roadway (The Southwest 62nd Boulevard Arterial Connector) from Southwest 43rd Street/Clark Butler Boulevard to Southwest 52nd Street. The design includes intersection improvements at Southwest 43rd Street, stormwater management facilities, a new 330-ft bridge over Hogtown Creek and a multiuse path along the East side of the proposed roadway. The project will include lighting and landscaping near the proposed stormwater ponds and along the roadway.

The Resolution is for a Perpetual Easement for the purpose of constructing and maintaining a roadway construction and long term maintenance and access below bridge in, over, under, upon and through the land related to Hogtown Creek, located between Southwest 24th Avenue and Southwest 52nd Street. This easement is detailed on sheet 8 of the attached maps.

Fiscal Note: There is no fiscal impact associated with this request.

RECOMMENDATION

The City Commission: 1) adopt the Resolution approving the Perpetual Easement to the Florida Department of Transportation; and 2) authorize the Mayor to execute and the Clerk or designee to attest the Perpetual Easement to the Florida Department of Transportation, subject to the approval of the City Attorney or designee as to form and legality.

[191017A Backup-PE 20200402](#)

[191017B_FDOT Resolution-Perpetual Easement 20200402](#)

[191017C Perpetual Easement to FDOT 20200402](#)

RE-4 [191122.](#)

Resolution and Quit Claim Deed Request for Florida Department of Transportation from the City of Gainesville (B)

This item involves the request for adoption of a Resolution and grant of a Quit Claim Deed from the City of Gainesville to the Florida Department of Transportation (FDOT).

Explanation: The Florida Department of Transportation (FDOT) is constructing a new two-lane roadway (The Southwest 62nd Boulevard Arterial Connector) from Southwest 43rd Street/Clark Butler Boulevard to Southwest 52nd Street. The design includes intersection improvements at Southwest 43rd Street, stormwater management facilities, a new 330-ft bridge over Hogtown Creek and a multiuse path along the East side of the proposed roadway. The project will include lighting and landscaping near the proposed stormwater ponds and along the roadway.

The Resolution is for a Quit Claim Deed conveying the City's interest in a Drainage Easement between the City of Gainesville and S. Clark Butler Properties Land Trust, dated December 10, 1998, recorded in Official Records Book 4380, Page 1074, of the Public Records of Alachua County, Florida. The conveyance is for approximately 6,932 square feet. The conveyance is identified as item 100A on sheet 3 of the attached maps.

Fiscal Note: There is no fiscal impact associated with this request.

RECOMMENDATION

The City Commission: 1) adopt the Resolution approving the Quit Claim Deed to the Florida Department of Transportation; and 2) authorize the Mayor to execute and the Clerk or designee to attest the Quit Claim Deed to the Florida Department of Transportation, subject to the approval of the City Attorney or designee as to form and legality.

[191122A Backup-QCD 20200402](#)

[191122B FDOT Resolution-Deed 20200402](#)

[191122C Quit Claim Deed to FDOT 20200402](#)

RE-5

[191123.](#)

**Resolution and Temporary Construction Easement
Request for Florida Department of Transportation from
the City of Gainesville (B)**

This item involves the request for adoption of a Resolution and grant of a Temporary Construction Easement from the City of Gainesville to the Florida Department of Transportation (FDOT).

Explanation: The Florida Department of Transportation (FDOT) is constructing a new two-lane roadway (The Southwest 62nd Boulevard Arterial Connector) from Southwest 43rd Street/Clark Butler Boulevard to Southwest 52nd Street. The design includes intersection improvements at Southwest 43rd Street, stormwater management facilities, a new 330-ft bridge over Hogtown Creek and a multiuse path along the East side of the proposed roadway. The project will include lighting and landscaping near the proposed stormwater ponds and along the roadway.

The Resolution is for a Temporary Construction Easement for the purpose of roadway construction, pond construction, drainage improvements, and grading related to roadway construction, and tying in, harmonizing, and/or reconnecting existing grade, pavement, drainage, and /or other features located on or within the real property associated with construction on the adjacent State Road No. Southwest 62nd Boulevard, Arterial Connector. These improvements are identified in the areas 711 "A" through "D" on the attached maps.

Fiscal Note: There is no fiscal impact associated with this request.

RECOMMENDATION

The City Commission: 1) adopt the Resolution approving the Temporary Construction Easement to the Florida Department of Transportation; and 2) authorize the Mayor to execute and the Clerk or designee to attest the Temporary Construction Easement to the Florida Department of Transportation, subject to the approval of the City Attorney or designee as to form and legality.

[191123A Backup-TCE_20200402](#)

[191123B FDOT Resolution-TCE_20200402](#)

[191123C Temp Const Easement to FDOT_20200402](#)

RE-6 [191095.](#)

Resolution Authorizing Replacement of Existing Credit Agreements With Respect to GRU Variable Rate Utilities System Revenue Bonds 2005 Series C, 2006 Series A and 2012 Series B, and Amendment and Extension of the Existing Liquidity Agreement with respect to GRU Variable Rate Utilities System Revenue Bonds 2008 Series B (B)

****This item was presented to the UAB on March 12, 2020.****

Explanation: GRU's debt portfolio contains a mix of fixed rate and variable rate debt. We are required, both by the applicable bond resolutions, investors and rating agencies to maintain liquidity facilities to secure our outstanding publicly issued variable rate debt. These liquidity facilities provide cash to pay investors that tender their bonds in the event of a market disruption that precludes remarketing of the bonds or in certain instances, a termination of the liquidity facility.

GRU has nine current liquidity/credit facilities, and during calendar year 2020 multiple of the facilities are scheduled to expire. Our financial advisor, PFM Financial Advisors, LLC, reached out to solicit proposals to supply liquidity facilities for the following variable rate issues:

- 2005 Series C*
- 2006 Series A*
- 2012 Series B*
- 2008 Series B*

Based on considerations such as facility fees, proposed term, long term and short term bank ratings, and trading history Barclays Bank PLC was chosen as the preferred responder.

Fiscal Note: Based on the Barclays proposal, the annual expense for the four liquidity facilities will be approximately \$98,500 less than current facility fees.

RECOMMENDATION

The City Commission approve 1) the resolution authorizing with Barclays Bank the replacement of the existing liquidity facility agreements for Variable Rate Utilities System Revenue Bonds 2005 Series

C, 2006 Series A, and 2012 Series B and amendment and extension of the existing liquidity agreement with Barclays Bank PLC for Variable Rate Utilities System Revenue Bonds 2008 Series B, each subject to the approval of the City Attorney as to form and legality 2) the form of the Standby Bond Purchase Agreements for each of the liquidity facilities and fee letters and 3) the form of the Reoffering Memorandum.

On March 12, 2020, the UAB voted 6-0, with Member Rockwell absent, to advise the Commission to approve the staff recommendation.

[191095 GRU \(Barclays\) Resolution with Exhibits 20200312](#)

[191095 UAB Liquidity Facility Presentation 20200416](#)

RE-7 [191104.](#)

Resolution Authorizing Amendment to a Swap Transaction between Gainesville Regional Utilities (GRU) and Citibank N.A. Amending the Optional Par Early Termination Option of GRU (B)

****This item was presented to the UAB on March 12, 2020.****

Explanation: In 2017 as part of the DHR acquisition transaction, GRU entered into a 27 year \$45 million dollar swap with Citibank. The purpose of this swap was to hedge a portion of the variable interest rate debt issued to acquire the plant to a fixed rate, as well as to achieve additional interest rate savings compared to issuing more long term fixed rate debt. This swap included a right for GRU to terminate the swap on and after year 10 without cost, similar to the redemption rights of the fixed rate bonds issued for the acquisition. GRU is requesting authorization to negotiate an approximate seven year extension of the termination option, extending the call option from 10 years to 17 years. In exchange for this extension, staff will negotiate with the swap provider, based on current market conditions, either a reduction in the fixed rate GRU currently pays to the swap provider or an upfront lump sum payment. The Resolution authorizes the General Manager or Chief Financial Officer to execute this transaction subject to the following execution parameters:

- Authorization to execute is through September 30, 2020
- Minimum annual savings based on a reduction in the fixed rate leg of the swap of \$90,000, or
- An upfront payment of no less than \$2.1 million

Fiscal Note: Based on the execution parameters, the transaction if executed will result in annual savings of at least \$90,000 or an upfront payment of \$2.1million.

RECOMMENDATION

The City Commission approve the resolution authorizing the General Manager or Chief Financial

Officer to negotiate and execute an amendment to the swap transaction between GRU and Citibank N.A. extending the termination option from 10 years to 17 years, subject to certain execution parameters being met.

On March 12, 2020, the UAB voted 6-0, with Member Rockwell absent, to advise the Commission to approve the staff recommendation.

[191104 Resolution 2017B Citi Swap 20200312](#)

RE-8 [191142.](#) Resolution Authorizing the Issuance of Variable Rate Subordinated Utilities System Revenue Bond, Series 2020A (B)

Explanation: The Supplemental Subordinated Utilities System Revenue Bond Resolution authorizes the sale of the 2020 Series A Bonds to Trust Bank in the amount of not to be outstanding in excess of \$50 million. The 2020 Series A Bonds represent a revolving line of credit which will provide the utility with a low-cost source of additional liquidity to fund operating costs to assist in the financial management of unforeseen events. The addition of this line of credit will provide balance to the utility's sources of available liquidity between capital projects and operating costs. Rating agencies and investors will look favorably at this additional liquidity during uncertain financial times.

Fiscal Note: It is not anticipated that this line of credit will be utilized outside of unexpected financial circumstances. The recurring cost of the unused portion of the line of credit is 30 basis points or three-tenths of one percent based on the average unused amount of the facility in the prior quarter. Amounts drawn on the line will accrue interest at a variable rate equal to one month LIBOR plus 1.85% (with a minimum of 2.60%.)

RECOMMENDATION

The City Commission approve the Supplemental Subordinated Utilities System Revenue Bond Resolution and thereby approve the issuance and sale of the 2020 Series A Bonds to Truist Bank, approve the form of the Purchase Contract, and authorize the execution and delivery thereof subject to approval of the City Attorney as to form and legality.

[191142 GRU Truist Resolution with Exhibits 20200416](#)

[191142 REDLINE PG only GRU Resolution \(Truist\) 20200416](#)

NECESSARY DIRECTION TO CHARTER OFFICERS

PUBLIC HEARINGS (PH)

ORDINANCES, 2ND READING - ROLL CALL REQUIRED (SR)

ORDINANCES, 1ST READING - ROLL CALL REQUIRED (FR)

10:00pm or earlier - Adjourn - If later than 10:00pm, the Commission may waive the rules to extend the meeting or may schedule a date/time to continue the meeting