

City of Rome
FINANCE COMMITTEE MEETING
June 19th, 2017

PRESENT:

Committee Chairman, Evie McNiece
City Commissioner Craig McDaniel
Finance Director Sheree Shore
City Manager Sammy Rich
Assistant City Manager Patrick Eidson

Guests: William Camp, Raymond and James
City Attorney, Andy Davis

Absent: Assistant Finance Director, Toni Rhinehart
City Commissioner Bill Irmscher

Chairman McNiece called the meeting to order, and the minutes from the May 17th, 2017 meeting were approved.

APPROVE 2017 TAX ANTICIPATION NOTE

Ms. Shore reminded the committee that this was normally the time of year that the City borrowed money in Tax Anticipation Notes for cash flow purposes until tax monies started to come in around September. In the past we have usually normally just solicited from local banks, but given our limited number of bidders over the last couple of years, Mr. Camp and management had finally decided that the City should broaden the scope of potential bidders to include investment managers and trade the TANS across the investment desk with a cusip number. Mr. Camp commented that the City's TANS were becoming unfeasible because of pricing for most banks, and changing the role Raymond James normally plays from a financial advisor to a placement agent, allowed them to more broadly market the City's TANS. Although these are not a "rated" note, the City should be of a money market investment grade that would be attractive to other investment firms. The best bid for the money was Federated Investors Inc., which is a money manager. The coupon rate will be 2.0% but because there is a premium offering for the TAN, the net interest rate will be 1.09%. The amount of borrowing, Ms. Shore commented, is also lower this year given that the City has built up a little more cash reserves over the last couple of years. The amount proposed is \$4,585,000 and will be due for repayment on December 14th, 2017. Staff recommends that the City proceed with the bid from Federated. The TANS will close on June 28th, 2017. Commissioner McDaniel made the motion to accept the TANS bid, Chairman McNiece seconded, and the resolution for the TANS will be presented on the City Commission agenda tonight.

Review Ad-ready 2017 Tax Digest

Ms. Shore distributed to the committee, the digest numbers from the tax assessor office that will be used for the required tax millage advertisements. There are several items to discuss concerning the proposed numbers. Ms. Shore commented that previous budget estimates did anticipate an increase in the digest just mainly from several large taxable parcels that would be added to the 2017 digest (i.e. Hampton Inn).

The digest did increase approximately 3% in the gross numbers—with a large increase in personal property.

There was also a rather moderate increase in re-assessed real property values that of course will have to work the way through any appeal process.

One of the largest components of the final numbers was the decrease in the Freeport exemption, which accounts for approximately the other 3% of the digest increase. The current year exemptions are almost ½ of last year, due to a change in the state legislation which changed the required documentation to be submitted with the application for the Freeport. There has been quite a lot of discussion as to the reasons for the decrease, but we have been assured by the tax assessor's office that proper notification of the changes were communicated to those entities affected. Ms. Shore noted that her concern was that even though there was a temporary digest uptick because of this in 2017, it was very possible that this exemption could swing back upwards next year, and could have the opposite effect by impacting a reduction in the digest for 2018. It will take another year to determine what the new "normal" Freeport exemption might look like.

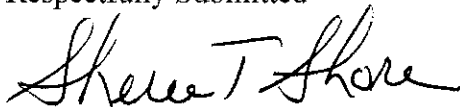
These two pieces together helped the overall digest for 2017 increase a little over 6%. Ms. Shore has recommended that the digest numbers to be accounted for in revenue budget projections and school board payments be discounted 1.5%. This is the amount of loss of digest that happened in 2016 between advertised rates and the final digest to the state.

Ms. Shore and City Manager Rich both recommended to the committee that all of the millage rates be left the same as 2016. Roll back rates were slightly lower. However, there are two uncertainties going forward. One is the possible loss of digest due to appeal settlements. The other is the uncertainty of the Freeport exemption for next year. There was some discussion as to the impact of this—mainly that the City would have to host three public hearings. Again, the recommendation is to have NO increase to the tax millage rates for 2017.

These amounts will be advertised with the required history ads for the City and School Board. The rates could be reduced at any time up to the adoption of the millage rates at the July 24th, 2017 commission meeting. There was no official action taken but Ms. Shore will go forward with the advertising—but will need the commission to schedule a called meeting to secure the requirement for that third public hearing. Mr. Rich will discuss with the commission.

Chairman McNiece thanked our guests for their attendance, and the meeting was adjourned.

Respectfully Submitted



Sheree T. Shore

\$4,585,000

City of Rome, Georgia

Tax Anticipation Note Series 2017 (Tax Exempt; Bank-Qualified)

(Final #s)

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
12/14/2017	Serial Note	2.000%	1.090%	4,585,000.00	100.417%	4,604,119.45
Total	-	-	-	\$4,585,000.00	-	\$4,604,119.45

Par Amount of Bonds	\$4,585,000.00
Reoffering Premium or (Discount)	19,119.45
Gross Production	\$4,604,119.45
Placement Agent Fee (0.131%)	\$(6,000.00)
Total Purchase Price	\$4,598,119.45

Raymond James

Page 1