

A meeting of the Finance Committee was held on Thursday, March 10, 2016 in the Blowfish Conference room, 4th floor of City Hall, 400 South Orange Avenue, Orlando, Florida, 32801. The meeting was called to order by Mayor Dyer at 3:10 PM, who determined there was a quorum. There was no public comment.

PRESENT: Mayor Buddy Dyer [1/1]
Tracey Stockwell [1/1]
Commissioner Robert Stuart [1/1]

ABSENT: Alvin (A.C.) Cowans [0/1]
Jack Cadden [0/1]

OTHERS PRESENT: Christopher P. McCullion, Deputy Chief Financial Officer
Michelle McCrimmon, Controller
Martin Carmody, Budget Division Manager
George McGowan, Director of Audit Services and Management Support
James Varnado, Treasury Manager
Matt Dickey, Treasury Manager
Brent Wilder, Managing Director, Public Financial Management
Nicklas Rocca, Senior Managing Consultant, Public Financial Management

1. APPROVAL OF MINUTES – (Attachment “A”) – MARCH 13, 2015

A MOTION TO APPROVE THE MINUTES OF MARCH 13, 2015 FINANCE COMMITTEE MEETING was made by Ms. Stockwell and seconded by Commissioner Stuart. MOTION CARRIED UNANIMOUSLY.

2. INVESTMENTS

A. ACCEPTANCE OF QUARTERLY PERFORMANCE REPORTS – (Attachment “B”) – December 31, 2015

Mr. McCullion updated the Committee with an overview of the City’s Operating Portfolio stating that the final quarter of 2015 had been a volatile. He noted the unemployment rates were at the lowest level since April 2008 and the Fed finally raised short-term interest rates by 25 basis points. Fiscal year-to-date the Operating Portfolio performance was -0.19%; however, every money manager outperformed their benchmark.

Mr. McCullion stated that the OPEB Trust fund is doing well and the fiscal year to date return was 2.68%. Mayor Dyer asked if other cities have caught up on funding their OPEB. Mr. McCullion replied that most cities and counties are still not actuarially funding their OPEB liabilities.

A MOTION TO ACCEPT THE QUARTERLY PERFORMANCE REPORTS of December 31, 2015 was made by Commissioner Stuart and seconded by Ms. Stockwell. MOTION CARRIED UNANIMOUSLY.

B. OPERATING PORTFOLIO COMPLIANCE REPORTS (Attachment “C”) – December 31, 2015

The compliance reports were briefly discussed; no actions were needed.

C. OPERATING PORTFOLIO INVESTMENT POLICY – ANNUAL REVIEW (Attachment “D”)

Mr. McCullion stated that the Operating Portfolio Investment Policy has been reviewed with the City’s Investment consultant, NEPC. There are no recommended changes at this time.

A MOTION TO APPROVE THE ANNUAL REVIEW OF THE INVESTMENT POLICY STATEMENT was made by Ms. Stockwell and seconded by Commissioner Stuart. MOTION CARRIED UNANIMOUSLY.

3. DEBT MANAGEMENT

A. SERIES 2016A CAPITAL IMPROVEMENT SPECIAL REVENUE BOND - MEDIUM TERM NOTE PROGRAM ROLLOVER (Attachment “E”)

Mr. McCullion stated that the City issued a Solicitation of Offers for Bank Term Loan to refinance the City’s April 1, 2016 designated maturities of the Medium Term Note Program and received five proposals. Bank of America, NA submitted the proposal with the most favorable terms, including an indicative fixed interest rate of 1.69%. Issuance of the Series 2016A Bond is consistent with the City’s Debt Management Policy. Ms. Stockwell asked a question about the principal balance amount and debt service reserve to which Mr. McCullion responded.

A MOTION TO APPROVE THE FINANCING PARAMETERS was made by Commissioner Stuart and seconded by Ms. Stockwell. MOTION CARRIED UNANIMOUSLY.

B. SERIES 2016B CAPITAL IMPROVEMENT SPECIAL REVENUE BOND – REFUNDING SERIES 2007B, 2009A AND 2010C – (Attachment “F”)

Mr. McCullion explained that this is a partial refunding to take advantage of historically low municipal bond interest rates which will result in debt service savings. The issuance of the Series 2016B Capital Improvement Refunding Special Revenue Bonds to refund the Series 2007B, Series 2009A and Series 2010C Bonds is consistent with the City’s Debt Management Policy.

A MOTION TO APPROVE THE FINANCING PARAMETERS was made by Commissioner Stuart and seconded by Ms. Stockwell. MOTION CARRIED UNANIMOUSLY.

C. SERIES 2016C CAPITAL IMPROVEMENT SPECIAL REVENUE BOND – PUBLIC SAFETY CAPITAL PROJECTS (Attachment “G”)

Mr. McCullion stated this issuance will finance the costs of various public safety and general municipal capital projects, including a computer-aided dispatch system. Issuance of the 2016C Bonds is consistent with the City’s Debt Management Policy.

A MOTION TO APPROVE THE FINANCING PARAMETERS was made by Commissioner Stuart and seconded by Ms. Stockwell. MOTION CARRIED UNANIMOUSLY

D. ANNUAL REVIEW - DEBT MANAGEMENT POLICY – (Attachment “H”)

Mr. McCullion noted a minor change on page 5 regarding fixed rate debt.

A MOTION TO APPROVE THE ANNUAL REVIEW OF THE DEBT MANAGEMENT POLICY AND FORWARD THE POLICY AS AMENDED TO THE CITY COUNCIL FOR RATIFICATION was made by Ms. Stockwell and seconded by Commissioner Stuart. MOTION CARRIED UNANIMOUSLY.

E. ANNUAL REVIEW - INTEREST RATE RISK MANAGEMENT PRODUCTS POLICY –DERIVATIVES POLICY – (Attachment “I”)

Mr. McCullion noted a minor change on page 2, replacing credit risk with counter party risk. Another change on page 3, to counterparty credit standards will strengthen the requirements for counter parties.

A MOTION TO APPROVE THE ANNUAL REVIEW OF THE INTEREST RATE RISK MANAGEMENT PRODUCTS POLICY was made by Ms. Stockwell and seconded by Commissioner Stuart. MOTION CARRIED UNANIMOUSLY.

4. SCHEDULE OF QUARTERLY MEETINGS FOR 2016

Friday, June 3, 2016 @ 9:00 AM

Friday, September meeting will be rescheduled to accommodate the Mayor’s calendar.

Friday, December 2, 2016 @ 8:30 AM

5. Mayor Dyer adjourned the meeting at 3:37 PM.

Respectfully submitted,

Christopher P. McCullion

Christopher P. McCullion
Deputy CFO

Michele V. Keane

Michele V. Keane
Pension Coordinator