CITY OF BURTON
SPECIAL BUILDING AUTHORITY MEETING MINUTES
FEBRUARY 6, 2002, 5:00 P.M., COUNCIL CHAMBERS

The Meeting was called to order by Karen Carr, Chairperson, at 5:00 P.M.

MEMBERS PRESENT: Becker, Carr, Rowland and Webster

MEMBERS ABSENT: Stimac

OTHERS PRESENT: D. Neiman, Bond Counsel, B. Bendzinski, Financial Advisor and C. Ladd, Deputy City Clerk.

PURPOSE OF THE MEETING: DISCUSSION AND POSSIBLE ACTION CONCERNING THE FOLLOWING ITEM:

1. Acceptance of the low bid for Burton City Hall and DPW expansion.

PRESENTATION:

Mr. Neiman said bids were taken at 4:00 P.M. for the Authority $1.8 Million Dollar Building Authority Bonds, Series 2002. You have a copy of the result of bidding and it suggests that Citizens Bank, as the lead underwriter, along with a number of institutions in their syndicate, was the low bid with 4.78% for a 20-year bond issue. The rate was quite exceptional. The bid, along with all of the other bids, completely met the requirements of the condition of the sale and they were legal bids. Citizens Bank had the low bid and we recommend you accept that bid.

Mr. Bendzinski explained that four bids were received with a total of 12 firms that bid on the bond. Some firms joined with other firms and formed a syndicate, which the City should be commended for also. The bonds were recently upgraded by Standard and Poor's Ratings Services from a Triple B+ to an A-. Standard and Poor's cited the excellent condition with the city being well run both financially, administratively and managerially. These bids exceed the rating. When comparing this bid to the national market, you are 40 basis points or one-half percent below the current market. A 20-year A rated bond is 5.15% and you are at 4.78%. It would be our recommendation that you accept this bid and if you do accept this bid, the bond closing would be held on March 5th at which time you will have cash to start paying the contractor for the building.

AUDIENCE PARTICIPATION:

There was no audience participation.

COMMITTEE DISCUSSION:

Mr. Becker said we are excited about getting the City Hall and DPW expansion underway. We are very pleased with the bids we received today. Mr. Bendzinski mentioned that Standard and Poor's just upgraded our bond rating and we are very pleased regarding that as well. We hit the market well in regards to the interest rates and the improved bond rating helped us even more. Based on the action taken tonight, we have tentatively set the groundbreaking for Friday, February 8, 2002 and hope to move forward as expeditiously as we can.

COMMITTEE ACTION:

Webster moved and Becker seconded the following motion:

1. Approve and authorize the acceptance of the low bid for $1,800,000 Building Authority Bonds Series 2002 for Burton City Hall and DPW improvements from Citizens Bank with an effective interest rate of 4.78397%.

Motion carried 4-0.

Meeting Adjourned at 5:08 P.M.

Cheryl M. Ladd, CMC
Deputy City Clerk

CML