

**MAYOR AND CITY COUNCIL
CITY OF SEAT PLEASANT
SPECIAL SESSION
MONDAY, AUGUST 30, 2021
6:00P.M.**

1. OPENING

1.1.1 Call to Order

Council President Porter called the meeting to order at 6:07p.m.

1.2 Roll Call

Present: Mayor Eugene Grant (Absent), Councilmember Monica Higgs, Councilmember Hope Love, Councilmember Shireka McCarthy, Councilmember Kelly Porter, Councilmember Gerald Raynor, Sr. (Late), Councilmember Kizzie Scott, Councilmember Gloria Sistrunk

Staff: Jason Deloach, City Attorney, Dashaun N. Lanham, City Clerk and Jeannelle Wallace, Interim City Manager, Lindsey Rader, Bond Counsel

Request Motion to go into Closed Session under Statutory Authority 3-305(b) "This meeting will be closed under General Provisions Art. § 3-305(b) (7) "To consult with counsel to obtain legal advice".

It was motioned by Councilmember Sistrunk and seconded by Councilmember Love to go into the Closed Session. The motion was approved unanimously approved by the City Council.

The City Council Re-Convened in the Special Session at 6:34p.m.

2. PRESENTATION

2.1 Lindsey Rader, Bond Counsel

- Ms. Rader explained the Bond Anticipation Note to the City of Seat Pleasant for interim financing for the construction period in 2017. The BAN was in the amount of \$4.1Million Dollars from BB&T now known as Truist Bank and it is backed by the city's
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- The most recent extension was on August 15, 2020, until August 15, 2021, and the Resolution before this evening is to extend the BAN until August 15,

2022. We are scheduled to go to closing before August 15, 2022. Mrs. Wallace will sign the Resolution in the original capacity as the Acting Chief Operating Officer for the City. Any elected officials will be allowed to sign on behalf of the city as we will trace back through the Charter.

- Councilmember Sistrunk inquired if Mrs. Wallace was the only person with signing authority on the Resolution.
- Ms. Rader stated that Mrs. Wallace has signing authority based upon the Charter Amendment Resolution. The Resolution identifies Mrs. Wallace to sign. In 2020 the extension Resolution was signed off by the mayor.
- Council President Porter stated that if it takes some time before 2022 and in the place of COVID or changes in the Administrator position. Will the Council be able to identify someone to sign the documents?
- Ms. Rader stated that Truist Bank gave the city an approval until September 30, 2021. In terms of the loan, we will determine who has signing authorities.
- Councilmember Sistrunk stated that under the defective Charter Amendment, the City Council designated the Council President as the Mayor Pro Tem in the absence of the mayor.

3. MEETING TOPICS

3.1 None

4. LEGISLATION

4.1. Resolution R-22-03 Approval of Extension of Bond Anticipation Note Financing for City Hall and Public Works Facility Improvements
Resolution R-22-03 was introduced by the City Council and read by the City Clerk on Monday, August 30, 2021.

Motion to Approve Resolution R-22-03 Approval of Bond Anticipation Note Financing for City Hall and Public Works Facility Improvements

- Councilmember Sistrunk stated that she wanted to be certain that she had a clear understanding regarding the city receiving credit for the 4.1 Million Note.
- Ms. Rader stated that on the date of closing in 2017 Truist Bank delivered 4.1 Million Dollars to the city for the renovation. She stated that without the extension the city would need to pay Truist Bank the full amount plus interest. When the city closes on the loan with USDA, they will deliver the 4.1 Million Dollars to the city to pre-pay Truist Bank in whole.

- Councilmember Sistrunk inquired what will happen if the city does not close on August 15, 2022. What will happen with the note?
- Ms. Rader stated that the city will owe Truist Bank the money in full. She attended a meeting with the city and the project manager, and the city is working on the documents needed by USDA to close the loan in 2021. She understands that some materials were submitted to USDA, and they need to provide additional back-up to USDA.
- Councilmember Sistrunk stated that the worst-case scenario if the city does not close this year what will happen?
- Ms. Rader stated that the worst-case scenario, the bank will sue the city and the city maybe forced to raise the taxes.
- Councilmember Higgs inquired on the documents that are missing for USDA?
- Mrs. Wallace stated that the account summaries were submitted to USDA, but the problem is that the city should have a separate staff person to handle all the reporting requirements to USDA. It was a combination of problems with the change in personnel with USDA that they stated the account summaries could be submitted on the back end. The personnel changed with administration. The documents should have been submitted through-out the project with the change orders and or corrections for USDA to approve. The project was new, and the city had never taken on a project of this magnitude. USDA is going one by with the cost overruns, change orders and account summaries. Each account summary must be balanced when submitted to USDA. The reports were initial mailed to USDA but due to COVID they were not in the office, and they had to scan the documents to USDA and the problems with deliverable due to the COVID. This is the reason that Truist Bank was willing to provide the city with an extension.
- Councilmember Higgs inquired if USDA would need the audits from the city.
- Mrs. Wallace stated that they will need the audits as well.
- Motion to Approve Resolution R-22-03 Approval of Bond Anticipation Note Financing for City Hall and Public Works Facility Improvements
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- Motion by Gloria L Sistrunk, second by Hope Love.
- Final Resolution: Motion Carried
- Yes: Hope Love, Shireka McCarthy, Kelly Porter, Gerald Raynor Sr, Gloria L Sistrunk

- No: Kizzie Scott
- Abstain: Monica Higgs
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5. UNFINISHED BUSINESS

5.1. None

6. ANNOUNCEMENTS

6.1 Regular Work Session, Monday, September 13, 2021, by Zoom Video at 6:00pm. Meeting link details will be on the city's website, Seat Pleasant, MD

6.2 Public Session, Monday, September 13, 2021, by Zoom Video at 8:00pm. Meeting link details will be on the city's website, Seat Pleasant, MD

6.3 Regular Work Session, Monday, October 4, 2021, by Zoom Video at 7:00p.m. Meeting link details will be on the city's website, Seat Pleasant, MD.

7. ADJOURN:

The meeting was adjourned at 7:21pm

Submitted by,

DocuSigned by:
Dashaun N. Lanham
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Dashaun N. Lanham, CMC
City Clerk