

Finance Committee Minutes

April 13, 2015

Meeting called to order at 9:38 a.m.

Members in attendance: Randy Neatherlin, Lisa Frazier, Karen Herr

Also in attendance: Terri Jeffreys, Tim Sheldon (on speaker phone), and the general public.

Lisa Frazier, chair of the Finance Committee, reiterated that the purpose of this meeting was to discuss the latest Belfair Sewer Financial Plan and the recommendations for internally funded bonds.

The purpose: to acquire county match funding for DOE loans to construct Phases 2, 3, and 4 of the Belfair sewer trunk lines and to fund the payment of the BOSS settlement.

The terms:

- *Principle – available upon request, up to a maximum of \$3,000,000

- **Drawdown with 90 days' notice

- **Drawdown increments of \$250,000 as necessary to meet the objectives of "the plan".

- *Interest – "interest only" payments, twice annually in June & Dec – based at 1.5% & re-priced to State Treasury Bond rate every five years.

- *Term – 25 years with no prepayment penalties.

Before the meeting commenced, Sheldon commented that he did not approve of the recommendations being presented. Neatherlin commented that only the Finance Committee members were able to vote on the recommendation – and that the recommendation was simply to agree to send a draft of "the plan" to the State Auditors for review, prior to it being vetted by the public and any decision that would be made by the Commission.

Frazier stated that although our debt policy does not specifically address internally funded bonds, after talking to bond council, it will not be necessary to revise our debt policy as written.

Sheldon is concerned that our prior preliminary engineering estimates were done in 2007 and 2010 – but not recently. Again, Neatherlin assured Sheldon this was not a final plan, rather just another important step forward in the process.

Discussion ensued regarding the BOSS settlement – all agreed it should be two separate bonds. One bond to fund phase 2, 3, & 4 and the other for the BOSS settlement.

Sheldon commented that the legislature still might come thru for some rate relief for the Belfair sewer. Jeffrey asked if there were any parameters around these funds – apparently not.

Frazier said internal bonding was doable, but she would not be comfortable with more than a \$3M bond.

Neatherlin asked if the members of the Finance Committee approved of sending two variations of this draft plan to the State Auditors for their review. Herr, Frazier, & Neatherlin all approved.

Meeting adjourned at 10:01 a.m.

Minutes submitted by Karen Herr, Secretary of Finance Committee