

MINUTES

Edmonds Public Facilities District Board of Directors Special Meeting February 5, 2018

The Edmonds Public Facilities District Board meeting convened at 12:01 p.m. in the Edmonds Center for the Arts Green Room, 410 4th Avenue North, Edmonds.

EPFD Board Members Present

Mike Popke, President
Larry Ehl, Vice President (via phone)
Marla Miller
Patrick Mulva (via phone)

ECA Staff Present

Joseph Mclalwain, Executive Director
Matt Keller, Director of Operations

Other Guests Present

Tom Mesaros, City Council Liaison (via phone)

EPFD Board Members Absent

Kevin McKay

1. Call to Order

Board President Popke called the meeting to order.

2. Board President's Comments – None

3. Approval of Minutes – N/A

4. Approval of Disbursements – N/A

5. PFD Board Business

- **Bond Refinancing Update – Next Steps**

Mr. Mclalwain relayed after discussions with City Councilmembers, City staff and EPFD Board Members, a decision was made not to pursue the City taking the lead on the bond issue. The focus will now shift to the EPFD's own bond counsel and advisors refinancing the bonds. At this point there is very little financial benefit associated with the City issuing debt on the EPFD's behalf; however, there is still opportunity to save money by refinancing bonds. Councilmember Mesaros commented on the importance of going through the exercise to reach this decision.

Mr. Mclalwain displayed information provided by Rob Shelley, Piper Jaffray, regarding base case (existing maturity date of 2025) and options for extending the maturity date. Mr. Mclalwain and Mr. Keller commented on pros and cons of extending the term and retaining the existing term.

Board members discussed the EPFD's present value savings target of 5%, pros and cons of retaining the 2025 maturity date, pros and cons of extending the term to 2027, flexibility in the use of sales tax revenue, and support for retaining the existing maturity date.

Mr. Mclalwain relayed Mr. Shelley's request that the board make a decision regarding, 1) the term, and 2) private placement versus bond issue. Board Member Miller relayed Mr. Shelley's analysis indicated private placement would be more beneficial. Mr. Keller relayed his phone

conversation with Roy Koegen, Kutak Rock, who agreed with the private placement recommendation and indicated his team could have a short RFP published this week with a 10 business day return and a rate offering quote that could be locked in. Discussion followed regarding reverting to a bond if private placement was not possible, the City remaining the guarantor, and bond counsel providing an opinion whether the existing Contingent Loan Agreement with the City needs to be revised.

BOARD MEMBER MULVA MOVED TO APPROVE PROCEEDING WITH REFINANCING OF THE DEBT WITH THE SAME MATURITY DATE OF 2025 AND PURSUE A PRIVATE PLACEMENT. BOARD MEMBER MILLER OFFERED A FRIENDLY AMENDMENT: PURSUE PRIVATE PLACEMENT AND REVISIT IF THAT CEASES TO BE THE MOST BENEFICIAL OPTIONS. BOARD VP EHL SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

Board Member Miller relayed Mr. Shelley said the refinancing can be done anytime within 90 days of the call date which allows time to determine if private placement continues to be the best option.

Having chosen most conservative, taxpayer-focused option, Mr. Mclalwain was hopeful that point would be emphasized when this comes up in conversation with the public. Councilmember Mesaros agreed the EPFD had a number of options and made the best possible decision for taxpayers to save as much money and to be as conservative as possible.

Mr. Mclalwain will communicate the board's decision to Mr. Shelley and Mr. Koegen immediately; the RFP will be prepared and published this week.

6. **Executive Report / Steering Committee – N/A**

7. **New Business**

8. **Adjourn**

The meeting was adjourned at 12:26 p.m.

Next EPFD Board Meeting: Thursday, February 22, 2018 7:30 AM

ACTION ITEMS:

1. Develop policy for board members to participate by phone