

# MINUTES

## Edmonds Public Facilities District Board of Directors Meeting March 1, 2018

The Edmonds Public Facilities District Board meeting convened at 7:30 a.m. in the Edmonds Center for the Arts Green Room, 410 4<sup>th</sup> Avenue North, Edmonds.

### **EPFD Board Members Present**

Mike Popke, President  
Larry Ehl, Vice President  
Marla Miller  
Kevin McKay

### **EPFD Board Members Absent**

Patrick Mulva

### **ECA Staff Present**

Joseph McIalwain, Executive Director  
Matt Keller, Director of Operations

### **City Staff Present**

Scott James, Finance Director (Ex-Officio)

### **Other Guests Present**

Rob Shelley, Piper Jaffray (7:37– 8:08 a.m.)

#### **1. Call to Order**

Board President Popke called the meeting to order.

#### **2. Board President's Comments**

Board President Popke commented this is an exciting chapter, another step toward refinancing the bonds.

#### **3. Approval of Minutes – None**

#### **4. Approval of Disbursements – None**

#### **5. PFD Board Business**

- **Resolution 2018-01: Bond Refinancing**

Mr. McIalwain provided background, staff had a phone conference yesterday with Roy Koegen, Kutak Rock and Rob Shelley, Piper Jaffray. Mr. Shelley developed a term sheet and Mr. Koegen developed the resolution. He originally thought the Board would be approving the resolution today to authorize staff to move forward; in actuality the resolution is only for Board review at this point. Board Member Miller suggested the Board take action to authorize staff to proceed with pursuing the sale of bonds and return the resolution to the Board for approval once the details are available.

Mr. McIalwain reviewed an email from Mr. Shelley regarding net present value projections with the current interest rates, pointing out another 25 bps higher brings the annual savings down to \$14,000/year which is under 4%, below the Board's goal of 5% NPV savings. Board Member Miller commented the NPV savings goals established at the state level and throughout numerous public agencies was done when there was more flexibility with refinancing/refunding bonds. Federal changes to refinancing bonds will press that because it must occur within 90 days of the call date, making the 5+% savings less achievable.

Rob Shelley, Piper Jaffray, joined the meeting via phone at 7:37 a.m. He described the term sheet that the PFD will circulate to a list of banks in the region that are active in providing loans on a tax-exempt basis to government agencies. The term sheet will be accompanied by the Contingent Loan Agreement (CLA) that was adopted as part of the 2008 transaction as well as the updated draft resolution that will ultimately be adopted by the Board to officially authorize refinancing of the debt. Once a bank goes through the credit process and determines which "bucket" to place it in (from highly rated to speculative), the bank will establish a rate. The CLA will need to be amended for this transaction; the City's bond counsel has indicated it will be in same form. The draft resolution is very similar to the 2008 resolution.

Mr. Shelley explained the term sheet will go out tomorrow; responses are due March 16. He anticipated the PFD Board would adopt the resolution authorizing the bonds at the March 22 meeting, followed by development of the final closing documents with anticipated closing the 2<sup>nd</sup> week of April.

Mr. Shelley and Mr. James responded to questions and discussion followed regarding the process, whether proposals will be visible on the bond desk, amending the CLA and presenting the amended CLA to the City Council, threshold for informing the Council of administrative amendments, aggressiveness of the schedule, circulation of the term sheet primarily to regional banks, ability to lock in rates once the PFD gives a verbal award, and inclusion of a rate in the proposals submittals.

**BOARD MEMBER MILLER MOVED TO AUTHORIZE THE ADMINISTRATIVE TEAM TO PURSUE THE SCHEDULE AS PRESENTED AND THE REFUNDING OF THE BONDS AS PROPOSED AND RETURN TO THE BOARD ON MARCH 22 WITH A RECOMMENDATION ON THE PROPOSALS RECEIVED AND THE FORM OF THE RESOLUTION AT THAT TIME. BOARD MEMBER MCKAY SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.**

(Mr. Shelley discontinued participation at 8:08 a.m.)

Next steps: Staff will confirm that Mr. Koegen has had a conversation with the City's bond counsel. Mr. James will also reach out to the City's bond counsel.

## **6. Executive Report / Steering Committee**

- **Short-Term Financing: Roof Project**

Mr. Keller reported the roof project is scheduled to begin April 1. Staff is working with the City to arrange a short term loan to assist with cash flow. The City's legal team is drafting the agreement which will go to City Council on March 20. As roof construction and/or purchase of theater equipment progresses, copies of vendor invoices will be sent to the City; the City will issue a check to PFD, the PFD will make the payment and request reimbursement from the state or county and then reimburse the City when funds are received.

Discussion followed regarding anticipated amount of the loan before reimbursement from the state or county, terms of the loan, intended duration of the loan, Finance Committee's approval to forward the loan request to full Council, City Attorney's preparation of an ILA, Council approval of the ILA followed by PFD Board approval, and providing an informational memo to City Council for the March 13 agenda. The Board requested the draft ILA for Short Term Financing for the Roof Project be provided to the Board in advance and schedule for approval at March 22 meeting.

## **7. Administration & Finance**

## 8. Development

Mr. McIalwain thanked the Popkes for their incredible generosity hosting the private fundraising (Springboard Fund) event. The event generated approximately \$70,000; the goal is \$100,000. Staff plans to follow up with people who were invited but unable to attend. Board President Popke suggested having a follow-up event for people unable to attend. He commended staff's preparations and Mr. McIalwain's comments. Discussion followed regarding the event and information provided, who was invited and who attended, the intent to invite a different group to avoid effecting contributions at other events, how to transform the timeline into a mobile display, reception at Frances Anderson Center tonight to unveil the Economic Impact Study, and the communication/marketing plan for Economic Impact Study.

Board suggestions included:

- Follow-up event before Center Stage
- Invite ECA President to future events
- Provide follow-up reports to donors
- Hold friend-raising events at people's homes, etc. to describe where we were, where we are and where we're going
- Send the Economic Impact Study /make presentation to Economic Alliance of Snohomish County

## 9. Marketing & Programming

## 10. New Business

## 11. Adjourn

**BOARD VP EHL MOVED TO ADJOURN THE MEETING. BOARD MEMBER Miller SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY. The meeting was adjourned at 8:37 a.m.**

**Next EPFD Board Meeting: Thursday, March 22, 2018 - 7:30 AM**

### **ACTION ITEMS:**

1. Confirm Roy Koegen, Kutak Rock, has had a conversation with the City's bond counsel
2. Send draft ILA regarding Short Term Financing for the Roof Project to the Board in advance and schedule approval at the March 22 meeting.
3. Suggestions related to recent fundraising event:
  - Hold follow-up event before Center Stage
  - Invite ECA President to future events
  - Provide follow-up reports to donors
  - Hold friend-raising events in people's homes, etc. to describe where we were, where we are and where we're going
4. Suggestion to send the Economic Impact Study and/or make presentation to Economic Alliance of Snohomish County