

**MINUTES
REGULAR SESSION
ST. MARY'S COUNTY METROPOLITAN COMMISSION
SPECIAL MEETING
JULY 13, 2015**

The regular session of the special meeting commenced at 1:16 p.m. In attendance were Commissioners Willing, Russell, Gaskin, Mummaugh, and Pessagno. MetCom staff in attendance included Ichniowski, Meiser, Smouse, and Comeau-Stanley. Others present included Mason McLean (*Davenport & Company*).

Chairman Willing welcomed everyone to the Special Meeting, performed a review of the meeting agenda, and introduced Mr. Mason McLean of Davenport & Company.

MOTION TO APPROVE AGENDA

Commissioner Russell moved to approve the draft Agenda, as presented. Commissioner Gaskin seconded the motion. Motion carried 4-0.

GENERAL LEGAL COUNSEL'S REPORT

A. Bond Refinance Resolution 2015-02

Ms. Meiser reminded the Board members of the Debt Capacity Study completed by Davenport & Company several months ago, which was presented to the Commissioners of St. Mary's County (CSMC). Ms. Meiser advised that the report recommended that MetCom consider refinancing some several existing bonds in an effort to obtain a lower interest rate and achieve overall debt service savings. Ms. Meiser further advised that following the recommendation of the CSMC, the MetCom Board authorized and directed staff to move forward with submitting requests for proposals (RFP) from lenders. Proposals were received and evaluated By Davenport & Company last week and resulted in a recommendation to refinance with TD Bank.

Ms. Meiser turned the presentation over to Mr. Mason McLean, who provided an overview of the work performed by Davenport & Company for the County and MetCom. Mr. McLean performed a review of the refinancing results, to include the background, RFP process, bid summary and results, recommendation and rationale, alternatives, and the next steps.

Mr. McLean advised that the RFP generated a strong response with eight (8) proposals received from mid-sized regional banks, as well as local banks, noting that the interest rates provided were extremely aggressive and competitive. Mr. McLean provided key statistic related to the TD Bank proposal, which results in a net present value savings of over \$500,000.00. Mr. McLean noted that MetCom is estimated to achieve over \$1 million in cash-flow savings, as \$787,930.00 of savings come from unspent proceeds of the 2007B Bonds being refunded, reducing the size of the new loan; and over \$500,000.00 come from the reduction in the interest rate.

Mr. McLean provided a brief review of options, to include higher interest rate loans to achieve prepayment flexibility and taking no action, as MetCom is under no obligation to move forward with any proposal. Mr. McLean noted that given the size of MetCom's overall debt profile, the current low interest rate environment, and the small size of these loans, a future refunding would be both unlikely and/or uneconomical for an operation the size and scale of MetCom's.

Mr. McLean advised the Board of some logistical issues related to the refinance, citing the need to purchase open market securities for an escrow portfolio for MetCom's 2015 Refunding Bonds. Mr. McLean explained that Davenport & Company will engage as Bidding Agent for these services, but noted that a written contract for these services were not originally included in the scope of services on the initial engagement letter. Therefore, a written contract is presented for the Board's approval today. Mr. McLean indicated the proposed fee will not exceed \$10,000.00 and is being included in Davenport & Company's original \$100,000.00 fee for services.

Following the presentation, Mr. McLean fielded a variety of questions from the Board members.

Commissioner Russell moved that the Commission approve and adopt Resolution 2015-02, authorizing the Chairperson to execute all documents, and do all other things necessary, to complete a loan closing for the intended refinance of certain previously issued bonds, all as more specifically provided within the Resolution. Commissioner Gaskin seconded the motion. Motion carried 4-0.

Commissioner Russell moved to approve the additional fees from Davenport & Company, related to Refinance Resolution 2015-02, not to exceed \$10,000.00, as set forth in their engagement letter, dated July 9, 2015. Commissioner Mummaugh seconded the motion. Motion carried 4-0.

Chairman Willing thanked Mr. McLean for his presentation today and very brief discussion ensued amongst the group on borrowing rates.

ADJOURNMENT

There being no further business, **Commissioner Mummaugh moved to adjourn the meeting at 1:54 p.m. Commissioner Russell seconded the motion. Motion carried 4-0.**



Laura Comeau-Stanley, Corporate Secretary