

MINUTES

BOARD OF COUNTY COMMISSIONERS

Special Meeting of April 23, 2002

The Commissioners met in special session in the Commissioners Meeting Room, Administration Building, Montesano, Washington, on Tuesday, April 23, 2002, at 1:30 P.M. Commissioners Dennis Morrisette and Dan Wood were present. Commissioner Bob Beerbower excused. Also in attendance was Clerk of the Board of Commissioners, Sandra Daniels.

The Chairman asked the Clerk of the Board to read the notice of special meeting, which outlined the purpose of the meeting. The Board will consider adoption of the proposed resolution authorizing the issuance and sale of \$9,695,000 par value of Limited General Obligation Bonds, 2002, of the county.

A staff report was presented by Grays Harbor County Treasurer, Ron Strabbing. He then introduced the following persons, to provide further details on the issue:

Steve Gaidos, the County's Financial Advisor, presented his report containing background information. He explained why he had recommended the sale of the bonds to Seattle Northwest Securities Corporation, and reviewed for the Board the process leading up to this hearing. He also noted that the county has received a very favorable A-3 rating, representing the lowest possible interest rate and debt service. His report included a review of economic conditions and cost comparisons, sources and uses of the funds and cost of issuance. He told the Board that he felt the county had received a very attractive overall bond interest rate of 4.74%, including all costs of issuance, and felt that this was a substantial advantage for the county. He stated that in comparisons of other bond issues throughout the country, the county's interest rates compare very favorably.

Jean Baker, Assistant Vice President, Seattle-Northwest Securities Corporation, whose firm facilitated the sale of the bonds, told the Board that her company was pleased to be working with Grays Harbor County, and presented the Board with the Purchase and Sale Agreement for the Bonds.

George Mack of Foster, Pepper & Shefelman PLLC, the County's Bond Attorneys, addressed the final resolution authorizing issuance and sale of the bonds. He explained that his firm had made an examination of the final documents and that they were found to meet all of the provisions of the purchase offer.

The Chairman called for other testimony.

Fred Hutchison of Elma, Washington, had questions relating to the bonds and the potential settlement of the county's lawsuit with the insurance company. The Treasurer and Mr. Gaidos responded with further information.

There was no further testimony.

Commissioner Morrisette commended the Treasurer and Grays Harbor County Budget Director Rose Elway. He noted that because of the conservative financial approach taken by Ms. Elway and the previous Board of Commissioners, the county is in a positive financial situation at this time and was able to sell these bonds with a very favorable interest rate. Also he noted that the timing for selling the bonds couldn't be better and this action will be in the best interests of the citizens of Grays Harbor County. Relating to the previous questions by Mr. Hutchison, Commissioner Morrisette indicated that the Commissioners have pledged to use monies from a settlement with the insurance company to address the bond repayment. He reiterated that this is what the Board has said they will do and this is what they will do.

Commissioner Wood stated that because of what is currently happening in the county with The Sierra Pacific Company, Duke Energy, Safe Harbor, Boise Cascade and now Qinetiq, Inc., when the information was compiled and communicated, we were able to receive a better bond rating. He feels it is important to note that Grays Harbor County is being recognized throughout the country, as evidenced by the Bond Sale.

It was moved, seconded and passed to adopt the following Resolution, which includes the Purchase and Sale Agreement for the Bonds:

Grays Harbor County Resolution No. 02-27

A RESOLUTION of the Board of Commissioners of Grays Harbor County, Washington, providing for the issuance of \$9,695,000 par value of Limited Tax General Obligation Bonds, 2002, of the County for general County purposes to provide funds with which to (a) pay and redeem the county's outstanding Limited Tax General Obligation Bond Anticipation Note, 2000 (Line of Credit), issued to pay the cost of rehabilitation and seismic repair of the county courthouse and related facilities, and (b) to repair and improve other county facilities, through the issuance and sale of bonds; fixing the date, form, maturities, interest rates, terms and covenants of the bonds; establishing a bond redemption fund; providing for the delivery of the bonds to Seattle-Northwest Securities Corporation of Seattle, Washington.

There being no further business, the meeting was adjourned at 1:56 P.M.

**BOARD OF COMMISSIONERS
GRAYS HARBOR COUNTY**

absent

Bob Beerbower, Chairman

Dennis Morrisette, Acting Chair

Dan Wood, Commissioner

ATTEST:

**Sandra Daniels
Clerk of the Board**