

**PORT OF MANCHESTER**  
**Port Commission**  
**April 26, 2010**

**SPECIAL MEETING**

- 1.0 Call to Order. Port President James Strode called the Special Meeting to order at 5:30 p.m. The purpose of the Special Meeting is to consider the sale of general obligation and refunding bonds. Present at the meeting were President Strode, Commissioners Dan Fallstrom and Steve Pedersen. Also present was Alan Fletcher, Contract Administrator, and James Blumenthal.
- 2.0 James Blumenthal, Vice President & Senior Municipal Underwriter, Martin Nelson & Company, presented information on the bond sale that refinances existing debt and provides new funds for pre-planned and approved capital improvements. He explained that in March, the Port began work to obtain a bond “credit” rating for refinancing existing bonds and securing permanent financing for its cash-match portion of a new parking lot expansion. These actions resulted in garnering a strong first-time rating of “A” by Standard and Poor’s and thanks to this rating the Port was able to lock-in extremely low interest rates for refinancing its debt. James further reported that the complete bond sale yielded an average interest rate of 4.31% to be paid over 20 years and replaces the Port’s outstanding 1997, 1998, and 2009 Limited Tax General Obligation Bonds. This action saves \$25,000 in the Port’s general operating funds over the eight-year life of the refinancing portion of the debt issue and \$15,000 in the general fund for 2010. The Port was paying an average interest rate of 5.74% on the 1997 and 1998 bond issues and now has dropped the rate by 2.36% and will pay an average rate of 3.38%. The complete financing also included the replacement of a short-term, variable rate, line of credit secured in 2009 for the purchase and acquisition of additional public parking. Martin Nelson & Company issued the bonds in a negotiated sale.
- 3.0 Staff presented Resolution No. 6-10, a Resolution of the Port Commission of the Port of Manchester, Kitsap County, Washington, providing for the issuance and sale of ~~\$474,000~~~~[484,000]~~ principal amount of limited tax general obligation and refunding bonds to refund certain outstanding limited tax general obligation bonds of the Port and to provide funds for certain acquisitions and improvements to Port facilities; appointing an escrow agent and making other provisions for redemption of the outstanding bonds; authorizing the form and terms of the bonds; and authorizing the sale of the bonds. Commissioner Fallstrom moved to approve Resolution No. 6-10. Commissioner Pedersen seconded. The motion was unanimously approved.
- 4.0 Next Steps. The timing for closing the bond sale and distribution of funds was discussed. The Board thanked Mr. Blumenthal and David O. Thompson, Bond Attorney, for their work.
- 5.0 There being no further business to come before the Port Commission, it was moved and seconded to adjourn the Special Meeting at 6:45 p.m.

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James E Strode  
Commission President

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Dan Fallstrom  
Commissioner