

PORT COMMISSION SPECIAL MEETING – November 16, 2005

The Port of Port Townsend Commission met in special session at the Port of Port Townsend Administration Office. The newspapers of record having been duly notified.

Present: Commissioners: Beck, Sokol and Pirner
Executive Director – Crockett
Auditor - Taylor
Deputy Director – Pivarnik
Absent: Operations Manager – Radon

I. CALL TO ORDER: The meeting was called to order at 9:30 AM.

II. APPROVAL OF AGENDA:

None

III. CONSENT AGENDA:

Not applicable

IV. PUBLIC COMMENTS: (not related to Agenda)

None

V. OLD BUSINESS:

A. Resolution No. 456-05 – A RESOLUTION OF THE PORT COMMISSION OF THE PORT OF PORT TOWNSEND, WASHINGTON, PROVIDING FOR THE ISSUANCE AND SALE OF LIMITED TAX GENERAL OBLIGATION BONDS, 2005 IN THE PRINCIPAL AMOUNT OF \$5,000,000 FOR THE PURPOSE OF PAYING THE COSTS OF CERTAIN ACQUISITIONS AND IMPROVEMENTS TO PORT FACILITIES AND LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, 2006 IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$2,100,000, FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING GENERAL OBLIGATION BONDS OF THE PORT; PROVIDING FOR THE REDEMPTION OF THE OUTSTANDING BONDS TO BE REFUNDED; FIXING THE DATE FORM TERMS AND MATURITIES OF THE 2005 BONDS; PROVIDING FOR ONGOING DISCLOSURE; APPROVING THE APPOINTMENT OF AN ESCROW AGENT AND EXECUTION OF AN ESCROW AGREEMENT; AUTHORIZING A PRELIMINARY OFFICIAL STATEMENT; APPROVING THE SALE OF THE 2005 BONDS; AND AUTHORIZING PORT OFFICIALS TO APPROVE THE MODE AND FINAL TERMS FOR THE 2006 BONDS.

Mr. Taylor introduced the members of the Port's financing team in attendance at today's meeting. Cynthia Weed, of Preston Gates & Ellis, as Bond Counsel, Alan Dashen of A. Dashen & Associates, as Port Financial Advisor, and Dave Trageser of Banc of America Securities, as Bond Underwriter. In addition Jefferson County Treasurer Judith Morris, and County Investment Officer Kathleen Hough, were in attendance.

He then reviewed the process leading up to the bond sale (order period), which occurred on Tuesday, November 15th, 2005.

Alan Dashen discussed the structure of the Bond issue, and how the new money portion and the refunding portion have been separated into two transactions, to keep the Bonds "Bank Qualified" and thus getting a better interest rate for the Port. He also commended Banc of America and Dave Trageser for putting together what he viewed as a very good deal for the Port.

Dave Trageser, discussed the results of the order period on November 15th, and how getting an Aaa rating from Moody's Investors Services, and subsequent bond insurance, really made the Bonds much more attractive to commercial investors, how it helped the Port get a lower interest cost (final true interest cost of 4.18%), and how Banc of America had

committed to purchase into their inventory, for resale, any Bonds not sold during the initial order period.

Cynthia Weed then discussed the actual Bond Resolution No. 456-05, which not only approves the sale of the new money portion (LTGO Bonds-2005), but also establishes guidelines for flexibility in determining when and how to structure the refunding portion (LTGO Refunding Bonds-2006), and which also delegates authority for those decisions on the Refunding Bonds, to the Port Executive Director, within certain parameters.

Commissioner Beck moved for adoption of Port Resolution No. 456-05, thus approving the \$5,000,000 LTGO Bond Sale, and approving certain parameters for the upcoming \$2,100,000 LTGO Refunding Bond transaction, as described in Resolution No. 456-05. The motion carried by unanimous vote.

VI. NEW BUSINESS:

None

VII. STAFF COMMENTS:

VIII. PUBLIC COMMENTS:

IX. COMMISSIONER COMMENTS:

X. NEXT MEETING:

Regular Meeting on Monday, November 28 at 10:00 AM in the Port Administration Office, 333 Benedict Street, Port Townsend.

XI. EXECUTIVE SESSION:

None

XII. ADJOURNMENT:

The meeting was adjourned at 9:58 AM there being no further business to come before the Commission.

ATTEST:

Secretary

President

Vice President