

ALBANY MUNICIPAL WATER FINANCE AUTHORITY
MINUTES OF SPECIAL MEETING
February 11, 2020

A special meeting of the Albany Municipal Water Finance Authority was officially convened at 8:05 AM, in the Conference Room at the Albany Water Board, 10 North Enterprise Drive, Albany.

PRESENT: Jack McEneny, Chairman; Gary Overdorf, Secretary; Warren Abriel, Assistant Secretary; Daniel Herring, member

MEMBERS EXCUSED: Julia Cannizzaro, Treasurer; Calee Oas, Vice Chairman

STAFF PRESENT: Joseph Coffey, Jr., P.E., Commissioner; William Simcoe, P.E., Deputy Commissioner; Thomas Dufresne, Chief Fiscal Officer; Emily Lyons, Confidential Assistant

BOARD ADVISORS PRESENT: William Kahn, UHY Advisors; Joseph Scott, Hodgson and Russ; T.J. Ruane, Whiteman Osterman & Hanna

New Business

Bond Borrowing Amounts - Bill Simcoe, Deputy Commissioner:

Members reviewed a spreadsheet showing all bonds and grants from recent years.

Information on specific projects includes:

Elberon/Hansen/Ryckman - recently went through a new closing to include some additional work.

Upper Washington Corridor -pursuing additional long-term financing, because it had a cost overrun compared to original budget.

Tivoli – does not require any new financing.

Long Term Control Plan phase 2 - includes a closing for money needed for the Beaver Creek Clean River Project, which includes about \$17 million in borrowing.

Albany- Colonie Interconnection - construction recently completed and is under budget.

Flood Mitigation Projects - we have a \$1 million grant for this work.

Feura Bush Improvements - was over budget, so also looking for additional long term financing.

We are looking to do some short term financing with some of these projects so we don't have to draw down our reserves until we get the long term financing. The short term financing will be through the line of credit.

In 2019 Water Board funds had been drawn down some, but are back up to \$13 million now.

Creation of a Line of Credit - Bill Kahn, UHY Advisors:

A Line of Credit of about \$9 Million is being proposed.

Bonding is an important component of our capital structure, but the line of credit is short term and has tax exempt rates. A line of credit appears to be the most efficient way of gaining short term financing.

We had a meeting with M&T bank who submitted a proposal to provide the financing. We decided to do a competitive procurement to include other financial institutions. There is some uncertainty with how long this credit will be approved for - hopefully at least 2 years. M&T suggested a probable rate of around 3%, but we expect to get lower proposals resulting from an RFP.

There is substantial liquidity; however we want to have high reserves in case of emergencies.

Joe Scott, Hodgson and Russ - The authority is the borrowing entity, and has authorization to do a line of credit. A slower very formal procurement could take 60-90 days, and includes more legal costs. The alternative is to send a request directly to a handful of banks, and ask for a reply within 10 days or so. We would need to get state Comptroller approval for the final sale. The request for proposal could also be posted on the website and in the local newspaper.

Authority members requested to view the proposal before it is sent to banks.

Resolutions

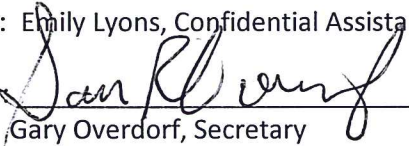
Chairman McEneny called for a motion to approve the following resolution. A motion was made, seconded and passed unanimously by Board members present.

- Resolution 20-01: Authorizing the staff of the Albany Municipal Water Finance Authority to solicit proposals for a line of credit financing from financial institutions.

The meeting was adjourned at 8:56 AM. The next regular meeting is scheduled Thursday, March 26 at 8:00 AM. A special meeting to review the proposals for a line of credit is likely before the next regular meeting of the Authority.

Recorded by: Emily Lyons, Confidential Assistant.

Approved by:


Gary Overdorf, Secretary