

**MINUTES**  
**REGULAR MEETING OF THE SANDPOINT CITY COUNCIL**  
**October 5, 2016**

**E. RESOLUTION NO. 16-78 – FINANCIAL SERVICES AGREEMENT WITH PIPER JAFFRAY & CO. FOR REFINANCING OF WASTEWATER TREATMENT FACILITY REVENUE BOND**

City Treasurer Shannon Syth noted that, during the budget process, there was discussion that City staff would bring a plan to City Council to refinance the City's wastewater treatment facility revenue bond. At that time, the interest rate was between 4.125% to 4.250%. Interest rates are decreasing, but we didn't have an opportunity to refinance until our bond was callable. The plan is to move forward in order to lock in an interest rate. First, we will hire a financial advisor, then we will hire bond counsel and lock in an interest rate prior to this December. She estimated that the City could save \$750,000 to \$1 million based on interest rates. There are several options to consider, with a goal to shorten the term. On the horizon, there are upgrades to consider for the wastewater treatment plant or building a new facility. We want the bond paid off before we have to borrow more money. Ratepayers will not want the City to have another debt, as it would be built into the rate system.

**Councilman Snedden moved** that City Council approve the proposed resolution, Financial Services Agreement with Piper Jaffray & Co. for Refinancing of Wastewater Treatment Facility Revenue Bond. **Councilwoman Ruehle seconded the motion.**

A roll call vote of Council resulted as follows:

Councilman Aitken	Yes
Councilman Camp	Yes
Councilman Snedden	Yes
Councilwoman Williamson	Yes
Councilman Eddy	Absent
Councilwoman Ruehle	Yes

**The motion passed by a unanimous roll call vote of Council present.**

**MINUTES  
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November 2, 2016**

City Treasurer Shannon Syth provided an update on the sewer bond refunding. The bid request was offered to local financial institutions on October 24<sup>th</sup> with a deadline to submit their proposals by November 4<sup>th</sup>, at which time a bank that will work the best for the City will be selected.

DRAFT

CITY COUNCIL AGENDA REQUEST FORM

Today's date: 11 / 08 / 16

Date of meeting 11 / 16 / 16

(City Council meetings are held the 1<sup>st</sup> and 3<sup>rd</sup> Wednesday of each month.)

Name of Citizen, Organization, Elected Official, or Department Head making request:

Shannon Syth, Treasurer/Finance Director

Address: 1123 Lake Street

Phone number and email address: 1123 Lake Street

Authorized by: Shannon Syth, Treasurer

*name of City official*

*City official's signature*

*(Department Heads, City Council members, and the Mayor are City officials.)*

Subject: RFP Results and Selection - presentation by Michael Keith, Piper Jaffray

Summary of what is being requested: Information only - review of results and selection of the City's

Request for Proposals for the local banks for the 2016 Sewer Revenue Refunding Bond. What that looks

like financially for the City.

**The following information MUST be completed before submitting your request to the City Clerk:**

1. Would there be any financial impact to the city?   **Yes or No**

If yes, in what way? The bond refinance will shorten the term and lower the interest rate of the

existing 2008 Sewer Bond. Free up cash and put the city in a position for future sewer upgrades.

2. Name(s) of any individual(s) or group(s) that will be directly affected by this action:

Have they been contacted?  
**Yes or No**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Is there a need for a general public information or public involvement plan? **Yes or No**

If yes, please specify and suggest a method to accomplish the plan:

\_\_\_\_\_  
\_\_\_\_\_

4. Is an enforcement plan needed? **Yes or No** Additional funds needed? **Yes or No**

5. Have all the affected departments been informed about this agenda item? **Yes or No**

**This form must be submitted no later than 6 working days prior to the scheduled meeting. All pertinent paperwork to be distributed to City Council must be attached.**

**ITEMS WILL NOT BE AGENDIZED WITHOUT THIS FORM**

**CITY OF SANDPOINT  
AGENDA REPORT**

**DATE: November 8, 2016**

**TO: MAYOR AND CITY COUNCIL**

**FROM: Treasurer, Shannon Syth**

**SUBJECT: Presentation of RFP Results and Selection by Michael Keith, Piper Jaffray**

**DESCRIPTION/BACKGROUND: In October, the City Council approved a Financial Services Agreement with Piper Jaffray to provide assistance in refinancing the City's 2008 Sewer Bond.**

**On October 24<sup>th</sup>, the City sought Requests for Proposals from six local banks for refinancing of the Bond. Five proposals were received and a selection has been made based on an overall evaluation of the proposals. Michael Keith will provide a presentation on the proposals, evaluation and selection. What the next steps are and the financial benefits of this process as it relates to increased cash flow and the City's position for meeting future needs for wastewater collection and treatment .**

**STAFF RECOMMENDATION: No decisions, just acknowledgment of the selection of Columbia Bank and the successful process this has been for a very positive financial outcome.**

**ACTION: N/A**

**WILL THERE BE ANY FINANCIAL IMPACT? Yes, a positive effect on the City's Sewer Fund cash flow.**

**HAS THIS ITEM BEEN BUDGETED? N/A**

**ATTACHMENTS: ARF and Piper Jaffray RFP Response Summary Table**

**City of Sandpoint, Bank RFP Response Summary  
November 7, 2016**

Response	Bank	Interest Rate(s)	All-in-TIC	Firm or Indicative	Up-front Fees	Other
1	Columbia Bank	1.69%	1.74%	Firm	\$7,000	Rate covenant of 1.25x Annual Disclosure Requirements
2	Washington Trust	1.95%	2.01%	Firm	\$8,800	
3	Wells Fargo	1.90%	2.05%	Indicative	Closing Fee 0.25% of Facility Amount Legal Fees up to \$10,000	Rate covenant of 1.25x Annual Disclosure Requirements (Would require EMMA filings) Pre-payment penalty
4	Mountain West	2.24%	2.27%	Firm	\$5,000	No prepayment or reserve
5	Banner Bank	2.45%	2.51%	Did not specify	\$8,300	Requires a reserve and pre-payment penalties in the first three years.