

Meeting with the PFD board

April 10, 2018

11 a.m.

Present: Commissioner Fund, Commissioner Jackson, Commissioner Stamper, bond counsel Roy Koegen of Kutak Rock, Debbi Haskins of Kutak Rock, BOCC counsel Prosecuting Attorney Jonathan Meyer, LC Budget Manager Becky Butler, LC Treasurer Arny Davis, Suzette Smith of the LC Auditor's Office, Public Facilities District (PFD) Chair Todd Chaput, PFD member Candy Hallom, PFD member Ron Averill, PFD member CJ Neer, PFD member Derrick Wojcik-Damers, Scott Bauer of Northwest Municipal Advisors (by phone at 11:08 a.m.), Nancy Neraas of Foster Pepper (by phone at 11:08 a.m.)

Guests: Lyle Overbay of NW Sports Hub, Elijah White of Twin Cities Sports, Emil Pierson of the City of Centralia, Alex Brown of The Chronicle, Susan DeLaire of DeVaul Publishing

Recorder: Rieva Lester

Commissioner Fund asked for the results of the feasibility study.

Todd Chaput said Commerce's feasibility study cannot move forward because the contingent loan agreement is contingent on a positive review.

Jonathan Meyer said the county cannot sign off on a debt without the feasibility study. He asked what bond counsel's position would be.

Scott Bauer of Northwest Municipal Advisors and Nancy Neraas of Foster Pepper joined by phone at 11:08 a.m.

Bond counsel Roy Koegen of Kutak Rock said his interpretation is that the PFD cannot incur debt or secure bonds without the feasibility study. Roy said he could call the Department of Commerce for clarification.

Jonathan Meyer and Roy Koegen left at 11:10 a.m.

Nancy said the county could include language in its agreement to protect itself.

Suzette suggested the county wouldn't want to rely on the DOC's opinion.

Jonathan Meyer and Roy Koegen returned at 11:12 a.m.

Roy said the county could have a contingent loan agreement with a section that says the agreement isn't effective and the county isn't obligated until the county reviews and approves a feasibility study.

TO-DO LIST / RECAP

Nancy Neraas: Redistribute draft agreement April 10.

Jonathan Meyer and Roy Koegen: Review draft agreement and return it to the BOCC by April 16.

BOCC: Review draft with agreement with Jonathan Meyer.

BOCC: Meet with PFD board after reviewing the draft agreement.

Susan Musselman: Complete feasibility study.

Commissioner Jackson asked if an agreement could move forward and then later be modified. Jonathan said the county could make its determination based on the findings of the feasibility study.

Commissioner Jackson discussed the repayment of the .09 loan and asked if language regarding the repayment would have to be addressed in the contingent agreement or whether the language could be added after completion of the feasibility study. Jonathan said the .09 loan should be addressed upfront.

Todd said the PFD board earlier in the morning approved making a payment on the .09 loan in May. He said the PFD board was considering making two additional payments in 2018.

Jonathan said the county needs to make clear that the .09 loan must be repaid.

Todd said the PFD plans to make three .09 payments in 2018.

Roy recommended that the BOCC work out the complete contingent loan agreement up front. He said the county can have an out regarding the outcome of the feasibility study.

Roy said the PFD will have two obligations: the bond and the .09 loan.

Nancy said she has drafted an agreement. She said she would send it to Jonathan Meyer. Jonathan and Roy said they could review it and forward it to the BOCC.

Todd noted that the PFD has very low operating costs.

Nancy said Commerce wants evidence that the drafted agreement is acceptable to the county.

Candy Hallom said the draft document was sent to the BOCC email on Feb. 27, 2018.

Roy said he would coordinate with Jonathan to present their review to the BOCC on April 16.

Todd said Commerce's review likely will take 60 to 90 days. He said Susan Musselman of PFM would complete the study.

Jonathan said he would like to set up a meeting with the BOCC and the PFD board two weeks after the arrival of the agreement.

Commissioner Stamper left at 11:28 a.m.

Commissioner Jackson said he wants to make sure that the PFD completes the work on the building in addition to addressing repayment of the .09 loan.

Nancy said she would recirculate the contingent loan agreement before the end of the day.

Meeting ended at 11:32 a.m.