



Brunswick-Glynn County Joint Water & Sewer Commission
1703 Gloucester Street, Brunswick, GA 31520
Commission Meeting Room
Tuesday, December 1, 2015 at 2:00 PM

FINANCE COMMITTEE MINUTES

PRESENT: Donald Elliott, Chairman
Ronald E. Perry, Commissioner
John Cason, Commissioner
Steve Swan, Executive Director
John Donaghy, Chief Financial Officer

ALSO PRESENT: Pam Crosby, Director of Procurement
Lyman Wray, Stephens Incorporated
Thomas Boland, Commissioner (arrived at 3:00 PM)

Chairman Elliott called the meeting to order at 2:00 PM.

PUBLIC COMMENT PERIOD

There being no citizens who wished to address the Commission, Chairman Elliott closed the Public Comment Period.

PRESENTATION

Lyman Wray of Stephens, Inc. presented information on Public Finance and Financial Advisors. Stephens, Inc. is providing services as a Financial Advisor, and only that. Fiduciary role/duty ways to offer advice:

- RFP can compete for services
- Go through Financial Advisor
- State and local governments do not need to be registered with the FDIC.

Mr. Wray is familiar with salt water intrusion, water storage facilities and aquifer storage systems. Also referenced page 11 of presentation which presented some of Stephens, Inc.'s experience. If hired they would provide: financial and credit analysis, long range planning, debt structuring, refinancing analysis, ongoing support, continuing disclosure, financial forecasting, and disclosure under the Dodd-Frank Rule. They can do a request for a proposal, negotiate terms and rates, i.e. negotiation with engineers, feasibility studies, etc. Mr. Wray also noted the Fee Structure and stated the contingency fee is capped. Mr. Wray discussed BGJWSC's Debt Summary – Outstanding Debt is not a lot of debt and BGJWSC currently has a solid strong financial profile (In 2014 debt service coverage of 2.26x = very good debt service coverage). BGJWSC currently funds a study (WRMAC) – good to show records. Referring to the City of Brunswick, Incorporated

our rates are high compared to the demographics of the city of Brunswick. BGJWSC has a good financial rating, and it is recommended that a transition be made from Financial Report to Comprehensive Annual Financial Report (CAFR). Also suggested is a Rate Stabilization Fund, (after debt services and operations requirements, money goes into this fund). In certain years this fund is used to help shave off the increase rate. Every 2 to 4 years it is funded (Spartanburg uses this). Also discussed and advised on "Indenture" – which governs – You have to fund a debt service reserve fund, typically a year's debt service. Customer Base Contacts – 3 or 4 can provide advice. REU's were introduced and explained to Mr. Wray. Cost for financial advisor are transactional and a retainer and hourly fees can be provided.

APPROVAL

Commissioner Perry made a motion seconded by Commissioner Cason to adopt the minutes of the October 20, 2015 Finance Committee meeting. Motion carried 3-0-0.

DISCUSSION

1. Balance Sheet as of October 31, 2015 – J. Donaghy

John Donaghy addressed the Committee and discussed the Detailed Balance Sheet. Commissioner Elliot questioned if we can reflect, restore and renew / capital tap fee? John can provide a supplementary.

2. Income Statement as of October 31, 2015 – J. Donaghy

John Donaghy updated the Commissioners on the income statement. Net income are over cost. Small Summary was given.

3. 2015/2016 Annual Budget Execution Review – J. Donaghy

John Donaghy explained various items on the annual budget. Temporary employees are to be completed in February, which will end this cost. Implementation of software will allow some cost savings in addition to savings on chemicals (.10 cents per gallon savings). With regards to a Financial Policy, comment was made that a consultant could be hired to write up the policy (suggestion of Carl Ninson Study). John explained Internal controls that are written to audits which shows areas for policy. We added Brookman Facility and Plantation. Due to changing the lights to halogen at Academy Creek we could be entitled to a discount. Meters have been replaced; 663 k over; camera van/hot shot; 300 k over expenditures. ON vehicles, Angela Walker's vehicle was totaled and needs to be replaced since she needs to be out on the field where most of her work is done. We are in the final stages of finding a fleet manager. There will be continued weekly review of various departments' expenditures as instructed by Executive Director to cut back on spending. Commissioner Cason suggested that we could review freight payment terms and negotiate through shipping and terms of net 5 or net 10, for example. Budgets were discussed; rate increase has not been done for a while. Will explain why we have to raise to 5% increase; also will need to advertise long before the rate increase.

4. Project Funding Status by Service Area – J. Donaghy

John discussed the project list. To complete projects would require 8.3 million. SR99 budget of 2.2 million was raised to 4.4 million in the last 45 days. S. Swan provided Todd & Harry DOT site for use. It was stated that when a low bid is placed, we have a bid bond placed. The estimated project cost will include all equipment. Pam Crosby was tasked with the purchasing policies that include (+) or (-) estimates when costs are incurred, and when payments are due. Commissioner Elliott commented that as we look at the Master Plan we can review up to 5

years. Commissioner Cason noted that we can utilize the financial analyst for a plan, and that the Master Plan needs to be priority.

5. SPLOST Remaining for BGJWSC – S. Swan

SPLOST #4 project engineer items were discussed by Mr. Swan. Regarding SPLOST 6 23.6% of money from SPLOST will go to the city and 18% for BGJWSC. The list was covered by Mr. Swan. Regarding the Brookman facility, we have asked for details on the Brookman facility regarding SPLOST. Referencing finance for the county, debt is still on Brookman. Thomas & Hutton has not been paid on the project.

6. Multi-Year Contract Extensions - P. Crosby

Pam Crosby explained the list changed.

- Banking Services, BB&T, due by the first of year, including Drop Box, checking account (before conversions; no limit on checks; no cost to maintain), electronic software, and NFS charges to go back to customer.
- Bill Printing, Pinnacle Data, extension option due end of December, has a per piece charge, and we have established a value – 2.5 cents in insert.
- Debt Collection, Penn Credit, extension option due December 17, no issues, note they get 18% without litigation.
- HR Administration, Teamwork Services, Inc., this is final extension on current contract, do we want to bring in house just payroll? They are good at payroll and benefits. We can do a combination of HR options; Risk Manager to look at savings on rates and look into internet services. May want to look at this position. Mr. Swan to follow up on Risk Manager, HR Coordinator, and farming our payroll and benefits.
- Risk Management, McGinty Gordon & Associates, extension option due January 1, no issues.
- Uniforms, Cintas, extension option due December 19, we are still renting from them.

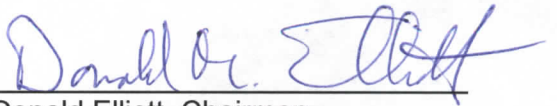
7. High Efficiency Fixture Rebate – S. Swan

An e-mail had been received concerning a High Efficiency Fixture. The subject has been being lobbied on for the past year or two. EPD has a model. Pam Crosby noted the Water Conservation Plan and that sometimes there is grant money.

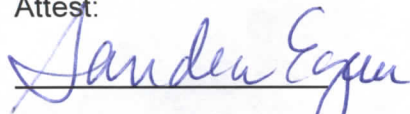
Director's Update

Commissioner Boland asked about status of the RFP for Dunbar Creek Tank Cleaning & Repair. Pam Crosby stated that the scope of work is in development with BGJWSC staff and Four Waters Engineering.

There being no additional business to bring before the Finance Committee, Chairman Elliott adjourned the meeting at 4:53 PM.


Donald Elliott, Chairman

Attest:


Sandra Egan, Clerk