



**Brunswick-Glynn County Joint Water & Sewer Commission**  
**1703 Gloucester Street, Brunswick, GA 31520**  
**Commission Meeting Room**  
**Tuesday, September 20, 2016 at 2:00 PM**

**FINANCE COMMITTEE MINUTES**

**PRESENT:**

**Donald M. Elliott, Chairman**  
**Ronald Perry, Commissioner**  
**John A. Cason, III, City Commissioner**  
**Jimmy Junkin, Executive Director**  
**John Donaghy, Chief Financial Officer**  
**Thomas Boland, Commissioner**

**ALSO PRESENT:**

**Pam Crosby, Director of Procurement**  
**Frances Wilson, Senior Accountant**

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

**PUBLIC COMMENT PERIOD**

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

**ADOPT:**

**1. Minutes from August 16, 2016 Finance Committee Meeting**

Commissioner Perry made a motion seconded by Commissioner Cason to adopt the minutes of the August 16, 2016 Finance Committee Meeting. Motion approved 4-0-0.

**2. Financial Advisor Award Recommendation – P. Crosby/J. Donaghy**

Pam Crosby presented the Financial Advisor recommendation to the committee. The memorandum provided the background and stated that the JWSC desires to engage the services of a recognized consultant with expertise in governmental financing to assist in the review, evaluation, planning, development, and administration of its financial operations. Due to recent regulatory changes the advisor will be prohibited from participating in the underwriting, whether by negotiated sale of competitive bid, of any bond issue in which the Financial Advisor(s) has been retained to give advice regarding the bond issue or any other borrowing BGJWSC is considering. The RFP was issued on August 4<sup>th</sup> and seven (7) proposals were received on Thursday, September 8. Four (4) firms were invited to return and provide presentations to the selected committee on September 15<sup>th</sup>. Those firms were Davenport & Co., PFM Public Financial Management, Inc., PRAG Public Resources Advisory Group, and Stephens, Inc. After the post-interview the selection team reviewed and reference checks were completed. Davenport & Co was selected based on recent experience, working with combined intergovernmental agency funding and education programs available to the Commission members. Also Davenport & Co service rates were very competitive against the other proposers. It was stated that all that participated were strongly qualified. The contract would run for 3 year period with additional renewals for 2 years. John added that all of the

firms that responded were all very qualified and ranged from national firms with hundreds of employees to smaller firms with less than 20 employees. Experience did play a factor in the team's decision. John continued by stating there were many reasons why Davenport & Co was the better choice which included: debt service reserve, GFA programs, bank borrowings and all firms addressed the Moody's and Standard & Poor's provide and establish credit ratings. It was confirmed that this is the first time JWSC has engaged in the process of obtaining a Financial Advisor.

Commissioner Cason made a motion seconded by Commissioner Boland to approve the recommendation of Davenport & Co and to forward to the full Commission for approval. Motioned approved 4-0-0.

## **DISCUSSION:**

**1. July/August End of Month Financial Comparative:** Balance Sheet, Income Statement – J. Donaghy  
John Donaghy presented to the Financials for July and August. The actual year to date was discussed from the Revenue and Expense report. The total Operating Expenditures YTD were 1.988 M and have over 700K in purchase orders or encumbrances. After purchases the balance is 1.2M to the good as far as Operations. The Capital Tap fee were then reviewed. For year to date when taken into account John continued the review and stated that at this time there is a revenue of \$337k to the good.

**2. Status on Project Funding – J. Donaghy**  
John Donaghy continued the discussion on the Project Funding Report. The report included on-going projects and those not closed out yet. Lift Station 2030 is still outstanding as there are expenditures still being incurred for the project. Year to date the JWSC has spent 720K on projects and project commitments (encumbrances) 3.14M. The Project Funding sheet was discussed showing the history of the Expansion Repair and Replacement Capital Tap Fee Reserve. At the end of August the Repair and Replacement Reserve was at 4.7M. John stated that of the 3M in encumbrances on the projects sheet, 2M will be paid out of the repair and replacement reserve leaving the cash available of 2.7M. A good portion of the 2.7M will be going to Basin 2032 Forcemain and Pump Station as significant funds will be needed for this project. A good portion of the 1.5M Capital Reserve for SSI will be used for SR 99 and Canal Road projects. John stated there is a need to get with Planning and Construction compare the revised budgets to see what has been spent. It was requested that the project report should show the individual projects and include the master budget, funding sources, encumbrances and percentages completed (to include physical and financial). Additional items to be considered on a summary capital projects report are: scheduling, potential problem and issues, key milestones on capital projects, and more details on budget and financing. The Microsoft Project has been purchased and will be implemented shortly.

**3. Public Information Officer/Management Analyst – J. Junkin**  
Jimmy Junkin discussed the Public Information Officer and stated it was previously discussed and JWSC is preparing the final steps for this position.

**4. Vac-Con Capital Lease – P. Crosby/J. Donaghy/K. Young**  
John Donaghy discussed the Van-Con Capital Lease option verses the direct purchase option. These vehicles are used by Systems Pumping and Maintenance. Previously (2) vehicles were approved in the 1.5M authorization to spend from the Operating Reserve and are leased monthly. The option of (4) Vac-Con trucks were discussed as costing 2.47M to finance verses 2.71M to direct purchase. The amount of 1.4M will not need to be expended if leased and could stay in the bank and provide interest earnings. Kirk Young, SP&M Superintendent, stated that all four Vac-Con vehicles will give JWSC the ability to provide quicker corrective action planning. It was stated that 700K was already earmarked for these vehicles in the budget and would cover the initial year. The lease would be incorporated into the Operating Budget. The following year would fall into the rate increase.

Commissioner Perry made a motion seconded by Commissioner Boland to lease all (4) vehicles and the first year lease will go through Capital Lease financing and the second year will come from the Operating Budget and the Rates will be adjusted and to forward to the full Commission for approval.

Motion approved 4-0-0.

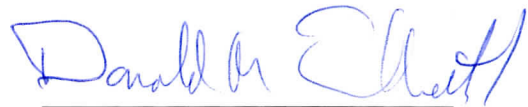
**CHAIRMAN'S UPDATE**

Commissioner Elliott discussed the Water and Sewer Summary Over the Next 5 Years presentation. The total Water Projects Cost over 5 years will be \$33.9M. The sewer projects Cost over 5 years will be 73M. The total for both costs will be 106M with anticipated and total funding of \$49M. This causes a total shortfall of 57.1M. Commissioner Elliott discussed the REU table and how it will affect the restaurants.

**EXECUTIVE DIRECTOR UPDATE**

Jimmy Junkin updated the committee on the plans to provide a financial detail report detailed by division. Project summary report of the top 10 lift station is in the works to be developed. Unsolicited Proposals could be listed in the newspaper and communicate in larger capacity. Sewer Allocation Policy could be approved at the full Commission this week. A detailed Capital Production report is being planned.

Meeting was adjourned at 3:23 pm.



Donald M. Elliott, Chairman

Attest:

  
Sandra Egan, Clerk