

FINANCE COMMITTEE MONTHLY MEETING  
JANUARY 12, 2012  
POINT BREEZE HEADQUARTERS BUILDING  
BALTIMORE, MARYLAND

OPEN SESSION

MEMBERS ATTENDING:

Peter J. Basso  
Mary Beyer Halsey  
Arthur S. Hock

STAFF ATTENDING:

Harold Bartlett  
Randolph Brown  
Allen Garmen  
Sharita Harrison  
Beverly Hill  
Cheryl Jordan  
Brenda Sandbank  
Kitty Sarvinas  
Deborah Sharpless  
Valerie Smith, Esq.

Alison Williams

OTHERS ATTENDING:

Millie Lee – Public Financial Management (phone)  
David Miller – Public Financial Management (phone)  
Paul Shelton Esq. – McKennon Shelton & Henn, LLP  
Jamie Traudt – Davenport Investments (Phone)

At 9:10 a.m. Committee Chair Jack Basso, called the meeting of the Finance Committee to order.

**APPROVAL: MEETING MINUTES – December 8, 2011**

Upon motion by Ms. Mary Halsey and seconded by Mr. Arthur Hock the minutes of the December 8, 2011 Finance Committee were unanimously approved.

### **UPDATE: BOND REFUNDING ECONOMICS/RATIONALE**

Ms. Deborah Sharpless gave a brief overview of the rationale for the refunding. Economic Refunding or refinancing opportunities arise as interest rates fall below prior issuance levels. Falling interest rates are driven both by economic factors and the yield curve roll down effect of individual bonds benefiting from potentially lower refinancing rates as they approach maturity (given a positively sloped yield curve). Credit rating agencies typically view economic refunding favorably, while non-economic refundings may be scrutinized.

An issuer should consider many factors when contemplating a refunding, including the projected path of interest rates, nominal savings, net present value savings, interest rate volatility, new money issuance needs, staff time, availability of financial statements, and the tradeoff between realizing current savings and deferring refunding for potentially higher future benefits.

### **CLOSED SESSION**

At 9:15 am, following a motion by Ms. Halsey and seconded by Mr. Hock, the committee Members unanimously voted to move into Closed Session pursuant to Section 10-508 (a)(14) of the State Government Article of the Annotated Code of Maryland to discuss the contents of proposals and the negotiating strategy related to the formation and award of a contract under the Request for Proposals for the procurement for Contract No. 60833436R for the I-95 Travel Plazas Redevelopment. The meeting will also be closed under Section 10-508(a)(6) to consider the marketing of public securities for the purpose of refunding certain outstanding bonds, and under 10-508(7) to consult with bond counsel regarding options for resolutions authorizing the Executive Secretary and other appropriate officers and employees to issue refunding bonds. In attendance at the entire Closed Session were Members Halsey, Hock, and Basso, as well as Harold Bartlett, Randolph Brown, Deborah Sharpless, Brenda Sandbank, Alison Williams, Allen Garman, Valerie Smith, Paul Shelton, Millie Lee (phone) David Miller (phone), Jamie Traudt (phone), Kitty Sarvinas and Cheryl Jordan.

At 10:20 a.m. a motion was made by Ms. Halsey and seconded by Mr. Hock, with the unanimous approval of the committee Members to return to Open Session.

### **RATIFICATION OF ACTION TAKEN DURING CLOSED SESSION**

Upon motion by Ms. Halsey and seconded by Mr. Hock, the Members unanimously ratified the following actions taken during closed session: a recommendation that the Authority Board at its next scheduled meeting approve a proposed advance refunding of certain outstanding bonds, and a new, consolidated form of bond authorizing resolution for the refunding bonds, which will become Resolution 12-01.

There being no further business, the meeting of the Finance Committee was adjourned by general consensus at 10:25 a.m.