



State of Washington
STATE FINANCE COMMITTEE

JAMES L. McINTIRE, Chairman
State Treasurer

JAY R. INSLEE
Governor

BRAD OWEN
Lieutenant Governor

AGENDA

STATE FINANCE COMMITTEE

September 4, 2014 at 3:15 pm

Office of the State Treasurer
Legislative Building, Room 230
Olympia, Washington

1. Approval of minutes of the May 21, 2014 State Finance Committee meeting.
2. Resolution 1160 appoints U.S. Bank National Association to act as the state's fiscal agent pursuant to RCW 43.80.120 and requires the Office of the State Treasurer to carry out all matters associated with such appointment including, carrying out the responsibilities of the State Finance Committee as set forth in chapter 43.80 RCW.

If you are a person with a disability and require an accommodation for attendance, please contact the Office of the State Treasurer, (360) 902-9000, 24 hours prior to the meeting date.

Office of the State Treasurer

Legislative Building, P.O. Box 40200 • Olympia, Washington 98504-0200 • (360) 902-9000 • TTY USERS: CALL 711
FAX (360) 902-9045 • Home Page <http://www.tre.wa.gov>

State Finance Committee Meeting Minutes
Olympia, Washington
May 21, 2014
11:40 am

The State Finance Committee met in a special meeting after notice duly given to the public.

Present: James McIntire, State Treasurer, Chair
Jay Inslee, Governor, by phone
Brad Owen, Lt. Governor

Also Present: Ellen Evans, Office of the State Treasurer
Svein Braseth, Office of the State Treasurer
Wolfgang Opitz, Office of the State Treasurer
John Ryan, Office of the Attorney General
Susan Musselman, Public Financial Management
Cynthia Weed, K&L Gates
Wendy Kancianich, Office of the State Treasurer
Wendy Weeks, Office of the State Treasurer
Johnna Craig, Office of the State Treasurer
Sue Melvin, Office of the State Treasurer
Kate Manley, Office of the State Treasurer
Jacob Schwiesow, Office of the State Treasurer
Pam Johnson, Office of the State Treasurer
Scott Merriman, Office of the State Treasurer
Sandi Triggs, Office of Financial Management
Annette Meyer, Department of Enterprise Services
Amy Arnis, Department of Transportation
Nancy Neraas, Foster Pepper, by phone
Michelle Issa, Public Resources Advisory Group, by phone
Dan Gottlieb, Hillis Clark Martin & Peterson, by phone
John Finke, Tumwater Office Properties, by phone

Chair McIntire called the meeting to order at 11:42 am on June 21, 2014.

Item 1: Approval of the Minutes

Treasurer McIntire introduced the motion to approve the minutes from the November 25, 2013 at 11:30 am State Finance Committee Meeting. The motion was moved by the Lt. Governor, seconded by the Governor and approved unanimously.

Treasurer McIntire introduced the motion to approve the minutes from the November 25, 2013 at 12:15 pm State Finance Committee Meeting. The motion was moved by the Lt. Governor, seconded by the Governor and approved unanimously.

Item 2: Upcoming General Obligation Bond Sales

Treasurer McIntire asked Ms. Ellen Evans, Deputy State Treasurer for Debt Management, to provide a summary of the upcoming bond sales.

Ms. Evans described the upcoming expected sales of \$254.8 million Various Purpose General Obligation Bonds Series 2015A-1 and 2015A-2, \$87* million General Obligation Bonds Series 2015T (Taxable), and two series of refunding bonds: \$392.6* million Various Purpose General Obligation Refunding Bonds, Series R-2015A, and \$402.0* million Motor Vehicle Fuel Tax General Obligation Refunding Bonds, Series R-2015B.

Item 3: Resolution 1154 Relating to the Refinancing of a Portion of Tumwater Office Properties Lease Revenue Bonds.

Treasurer McIntire introduced Resolution 1154 relating to the proposed issuance and sale by TOP (formerly Tumwater Office Properties) of a series of refunding bonds for the purpose of refinancing a portion of Tumwater Office Properties' Lease Revenue Bonds, 2004 (Washington State Office Building).

Approval of the resolution was moved by the Lt. Governor, seconded by the Governor, and adopted unanimously.

Treasurer McIntire adjourned the meeting at 11:54 am.

STATE FINANCE COMMITTEE
STATE OF WASHINGTON

By _____
James L. McIntire
State Treasurer and Chairman

By _____
Jay Inslee
Governor and Member

By _____
Brad Owen
Lieutenant Governor and Member

ATTEST:

Ellen Evans, Deputy State Treasurer
and Secretary



State of Washington
STATE FINANCE COMMITTEE

JAMES L. McINTIRE, Chairman
State Treasurer

JAY R. INSLEE
Governor

BRAD OWEN
Lieutenant Governor

September 4, 2014

MEMORANDUM

TO: The Honorable James L. McIntire
The Honorable Jay R. Inslee
The Honorable Brad Owen

FROM: Ellen Evans
Deputy State Treasurer

RE: **Proposed Resolution 1160** Appoints a Fiscal Agent for the State and its political subdivisions.

Proposed Resolution No. 1160 appoints U.S. Bank National Association to act as the state's fiscal agent. The purpose and the background of the resolution are summarized below:

Resolution Purpose. Proposed Resolution No. 1160 appoints U.S. Bank National Association to act as the state's fiscal agent pursuant to RCW 43.80.120 and requires the Office of the State Treasurer to carry out all matters associated with such appointment including, carrying out the responsibilities of the State Finance Committee as set forth in chapter 43.80 RCW.

Background. Pursuant to RCW 43.80.120, the State Finance Committee ("Committee") is responsible for designating a fiscal agent(s) for the State and its subdivisions by any method it deems appropriate, taking into consideration the best interests of the State and its subdivisions.

The State Finance Committee's Debt Issuance Policy ("Policy"), adopted May 24, 1996, and later amended on January 25, 2011, requires the State Treasurer to conduct a competitive evaluation of proposals submitted in response to a request for proposal taking into consideration certain specified criteria. The State Treasurer is then required to submit to the Committee a recommendation for the appointment of a fiscal agent (or agents). The Policy requires that the recommendation be accompanied by an evaluation of options and a justification for the recommended course of action.

In carrying out its task, the Office of the State Treasurer ("OST") appointed a workgroup¹ of local issuers, financial advisors, bond counsel, and OST staff to solicit proposals from qualified banks or trust companies and then to evaluate those proposals to assist OST in making its recommendation to the Committee.

¹ Attachment A contains a list of workgroup members

On May 5, 2014, OST released its *Request for Proposals for Washington State Fiscal Agency Services* which included as attachments the proposed fiscal agent agreement and the master certificate of participation documents. In response to this solicitation, OST received two strong proposals from the *Bank of New York Mellon Trust Company N.A.*, the state's current fiscal agent, and *US Bank Global Corporate Trust Services*.

The work group evaluated the written proposals, a subgroup conducted interviews with both bidders, and a second subgroup contacted references.

Recommendation

The workgroup has concluded that it is in the best interests of the state to recommend the appointment of US Bank to provide fiscal agency services to the State of Washington and its subdivisions. The workgroup unanimously recommends, and the State Treasurer concurs, that US Bank be designated the State's fiscal agent upon termination of the current contract with BNY Mellon.

Attachment A –Fiscal Agency Work Group

| Member | Firm / Entity |
|-----------------|------------------------------------|
| Nancy Neraas | Foster Pepper PLLC |
| David Thompson | K&L Gates LLP |
| Angela Trout | Orrick, Herrington & Sutcliffe LLP |
| Deanna Gregory | Pacifica Law Group LLP |
| Ilene Thomson | Yakima County Treasurer |
| Scott Matheson | King County |
| Diane Campbell | Port of Seattle |
| Doug Merriman | City of Oak Harbor |
| Rob Shelley | Piper Jaffray & Co. |
| Susan Musselman | Public Financial Management |
| Svein Braseth | Office of the State Treasurer |
| Pam Johnson | Office of the State Treasurer |
| Sue Melvin | Office of the State Treasurer |
| Johnna Craig | Office of the State Treasurer |
| Ellen Evans | Office of the State Treasurer |