

Town of Sullivan's Island
Finance Committee Meeting

Town Hall- 2056 Middle Street

February 9, 2018

8:30 a.m.

Mayor O'Neil called the Finance Committee Meeting to order on February 9, 2018 at 8:30 a.m. and stated the press and public had been notified in accordance with State Law. In attendance were Mayor O'Neil, Councilmembers Sarah Church, Chauncey Clark, Mark Howard, Rita Langley, and Bachman Smith, IV. Staff members Andy Benke, Jason Blanton, Greg Gress and Anthony Stith were also in attendance. There were two members of the public and no members of the media present.

Mayor O'Neil stated the purpose of the meeting was to discuss a Wastewater Treatment System Retrofit Project finance option.

Paul Trouche, Esq. with Haynsworth Sinkler Boyd presented to Council information regarding an installment purchase revenue bond (hereinafter refer to as an IPR bond). Mr. Trouche recommends an installment purchase revenue bond because it is straight forward, efficient and an increasingly popular financing tool. The City of Charleston recently did its second issue of an IPR bond, as well as the City of North Charleston. This revenue bond does not count against any General Obligation (G.O.) bond debt limit. An IPR bond will allow the Town to access a national market, which requires a minimum size amount of approximately ten (10) million dollars. Never before has the Town had a capital need of this size that justifies the IPR bond option. This bond will require a rating from a rating agency. Mr. Trouche suggested getting a team together to start this process, including an investment banker and a financial advisor. It would take approximately ninety (90) days to receive a rating from the date the Town acquires a team. Between twenty-five (25) and thirty (30) years is the recommended time for the Town's amortization period. The interest rate for the IPR bond would not vary due to the total amount of borrowed money; in comparison to the interest rate of a G.O. bond, it is within a quarter of a percent.

Motion was made by Councilmember Smith, seconded by Councilmember Church, that the Town moves forward with the Installment Purchase Revenue Bond and Authorizes Staff to Consult with Council for the team that we need to put in place, carried unanimously.

Motion was made by Councilmember Langley, seconded by Councilmember Clark, to adjourn at 9:24 a.m., carried unanimously.

Respectfully submitted,



Courtney Liles