

OLYMPIA CITY COUNCIL SPECIAL MEETING MINUTES  
August 18, 2009, 12:00 Noon

*ROLL CALL*

PRESENT: Mayor Doug Mah, Council members Joan Machlis, Karen Messmer, Rhenda Iris Strub, Craig Ottavelli and Joe Hyer. Mayor Pro Tem Jeff Kingsbury was excused.

Mayor Mah called the meeting to order and the agenda was approved.

Other Business

City Attorney Tom Morrill confirmed that the Council may waive the current practice of requiring two readings for an ordinance by a vote of two-thirds of the members present. Councilmember Hyer moved, seconded by Councilmember Messmer, to suspend for this meeting the current practice to adopt ordinances only after a first and second reading. The motion passed unanimously.

City Hall Bond Appropriations

Administrative Services Director Jane Kirkemo explained both ordinances were for the City Hall project. The first ordinance authorizes the issuance of debt and accepts the bids; the second ordinance is a "clean up" ordinance for the project.

Ms. Kirkemo explained the City negotiated a bid this morning, utilizing Build America Bonds (BABs). BABs are taxable; however, the federal government will refund 35% of the interest back to the issuer (City) twice a year. The true interest cost on the bonds (net of the rebate) is 4.2%. By utilizing this form of debt, the City saves approximately \$3 million over tax exempt debt.

Councilmember Messmer moved, seconded by Councilmember Hyer, to adopt the ordinance approving the issuance and sale of \$2.4 million Limited Tax General Obligation Bonds and \$32,810,000 Limited Tax General Obligation Taxable Build America Bonds to provide funds to pay a part of the cost of financing a new city hall and fixing the form, term, and covenants of the bonds. The motion passed unanimously.

Ms. Kirkemo explained the second ordinance was to "clean up" the city hall fund by transferring and appropriating money from other funds and the bonds to be used for the project. Councilman Hyer moved, seconded by Councilmember Strub, to adopt the ordinance appropriating \$33,443,602 for the city hall project. The motion passed unanimously.

Mayor Mah asked what the Council's next steps are with regard to the City Hall Project. City Manager Steve Hall said Councilmembers Hyer and Strub are the Council

representatives on the project and meet periodically with the team. Other than that, Mr. Hall said the next step for the Council will be the ribbon cutting.

The meeting adjourned at 12:25 p.m.