

Angel Fire Public Improvement District 2007-1

3465 Mountain View Blvd., Suite 14

PO Box 1046, Angel Fire, NM 87710

575-377-3483

Special Board Meeting Minutes

August 16, 2016 at 4:30 pm at the PID Board Room

- A. Call to Order - Chairman Pro Tem Don Borgeson called the meeting to order at 4:31 pm.
- B. Pledge of Allegiance - Chairman Pro Tem Borgeson called for the Pledge of Allegiance.
- C. Roll Call - Present were Director Don Borgeson (Chairman Pro Tem), Director Burl Smith (by phone), Vice Chairman Rakes (by phone) and Director Abrams (by phone). Chairman Alan Young joined by phone at 4:37 pm. was absent. A quorum was present. Also present was Sally Sollars, District Administrator, Nann Winter, General Counsel, Paul Cassidy, RBC Capital, and Andrew Stricklin, RBC Capital.
- D. Approval of Agenda – Chairman Young moved to approve the agenda. Vice Chairman Rakes seconded. The motion carried 5-0.
- E. Approval August 11, 2016 Minutes – Chairman Young moved to approve the minutes as written. Director Smith seconded. The motion carried 5-0.
- F. Requests and Responses from the Audience – None.
- G. Announcements and Proclamations – Ms. Sollars reminded the Board that she would be out of the office from August 18th through the 30th. She said that she would be available by email and phone if needed.
- H. Business
 - Consider Approval of Resolution 2017-4 Application to NMFA to Refinance Loans – Vice Chairman Rakes moved to approve Resolution 2017-4 to refinance the loans through New Mexico Finance Authority. Chairman Young seconded. Paul Cassidy said that he and Ms. Sollars have been talking about the opportunity to lower the interest rate on the NMFA loans. Both District loans have optional redemption features. NMFA has a program to refinance its own loans. He said that NMFA is aware that the District would be approaching them for refinancing. Ms. Cassidy has recommended that an application be prepared. He said that the District loans could be reduced to the current plus .5% premium to retain the ability to redeem bonds prior to maturity and collapse the loan amount so that the District could continue to apply prepayments to the principal. However, they may not be willing to make this feature applicable to all the bonds. He said that the goal is to get the application delivered prior to NMFA consider the application at their September 22 meeting.

Chairman Young asked if the District could also go to the open bond market to restructure the debt. Mr. Cassidy said that although this District has not been in the open market, it may be possible to take that option. He thought that NMFA would offer a better rate.

Andrew Stricklin provided some overview to the numbers. The average rate on the current loans is 5.44% for the "little" loan and 4.988% for the "big" loan. As of today's rate plus the .5% those rates would be reduced to 3.03 and 2.97%, which results in an overall savings of \$3.6M or 18.7%. Annual debt service would be reduced by \$215-230K per year. Charges for refinancing would be the NMFA fee of about \$100K, the RBC Capital fee, and bond counsel. The fees are built into the loan. However, if the refinance does not close, the fees will not be charged.


Roll call vote: Chairman Young – aye; Vice Chairman Rakes – aye; Director Borgeson – aye; Director Abrams – aye; Director Smith – aye. The motion carried 5-0.

- I. Adjournment – Chairman Pro Tem Borgeson adjourned the meeting at 4:55 pm.

Next Regular Board Meeting will be September 8, 2016



Don Borgeson, Chairman Pro Tem

ATTEST: 

Sally Sollars, District Administrator