

RECORD OF THE PROCEEDINGS
SKAGIT COUNTY BOARD OF COMMISSIONERS

Wednesday, August 16, 1989

The Skagit County Board of Commissioners met in regular session on Wednesday, August 16, 1989, with Commissioners Ruth Wylie and W. W. Vaux present.

Discussion - Call of General Obligation Bonds Issued June 1, 1978

Mike Woodmansee, Budget/Finance Director, reviewed the history of the bonds purchased in 1978, indicating that it is now time for a decision to be made about whether to call the bonds on October 1, 1989 or pay the bonds as they mature over the next six years. Mr. Woodmansee advised that in his opinion the bonds should be called and this obligation cleared from the record. He indicated that in order to call the bonds the County must publish a notice not more than 40 nor less than 30 days prior to October first.

Dan O'Donnell, Skagit County Treasurer, advised that it is his recommendation that the bonds not be called at this time. He indicated that within the next six years the bonds can be called any time within that time period if interest rates should go down.

Jerry McInturff, Skagit County Auditor, pointed out that costs of arbitrage could cancel out some of the benefits to be realized with calling the bonds at a later time.

Commissioner Wylie said she felt it was to the County's advantage to call the bonds and retire the account.

Commissioner Wylie motioned that the refunding bonds issued in 1978 be called on October 1, 1989. Commissioner Vaux seconded the motion. The motion carried and was so ordered.

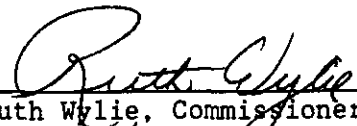
Commissioner Wylie and Commissioner Vaux thanked Mr. O'Donnell for his input.

ADJOURNMENT


Commissioner Vaux motioned to adjourn the proceedings. Commissioner Wylie seconded the motion. The motion carried and was so ordered.

BOARD OF COUNTY COMMISSIONERS
SKAGIT COUNTY, WASHINGTON

Dave Rohrer, Chairman

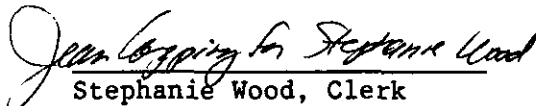


Ruth Wylie, Commissioner



W. W. Vaux, Commissioner





Stephanie Wood, Clerk
Skagit County Board of Commissioners

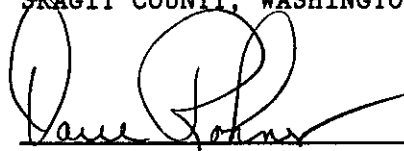
ADDENDUM TO RECORD OF THE PROCEEDINGS
SKAGIT COUNTY BOARD OF COMMISSIONER

Wednesday, August 16, 1989

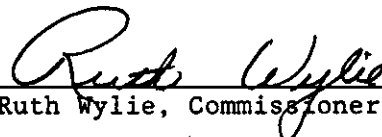
Treasurer O'Donnell stated that there were two primary reasons why the Board should not call the 1978 refunding bonds:

- 1) With the interest rate on the bonds being at 5.6% and the risk-free rate in the market being 7.0% or better, the County would be giving up considerable financial leverage.
- 2) The present value of continuing to carry the bonds exceeds the present value of calling them by over \$70,000, assuming an average 7.0% market rate of return.


BOARD OF COUNTY COMMISSIONERS
SKAGIT COUNTY, WASHINGTON



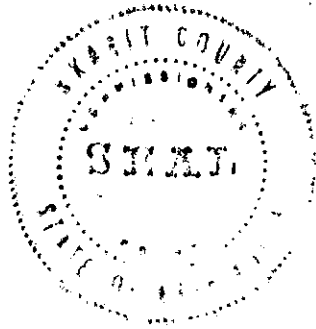
Dave Rohrer, Chairman



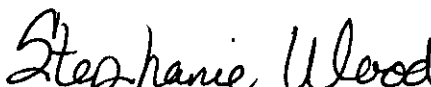
Ruth Wylie, Commissioner



W. W. Vaux, Commissioner



ATTEST:



Stephanie Wood, Clerk
Skagit County Board of Commissioners