ALBANY MUNICIPAL WATER FINANCE AUTHORITY
MINUTES OF REGULAR MEETING
Sept. 27, 2018

A regular meeting of the Albany Municipal Water Finance Authority was officially convened at 8:02 AM, local time, in the Conference Room at the Albany Water Board, 10 North Enterprise Drive, Albany, September 27, 2018.

PRESENT: Jack McEneny, Chairman; Gardner Lerner, Vice Chairman; Gary Overdorf, Secretary; Julia Cannizzaro, Treasurer; Calee Oas, Member

STAFF PRESENT: Joseph E, Coffey, Jr., P.E., Commissioner; William Simcoe, P.E., Deputy Commissioner; Thomas Dufresne, Chief Fiscal Officer; Emily Lyons, Confidential Assistant

BOARD ADVISORS PRESENT: William Kahn (UHY Advisors); Robert Hennes (Hugh Johnson Advisors, LLC)

Approval of Meeting Minutes from the Meeting of June 22 2018

A motion to waive the reading and approve the minutes of the June 22, 2018 meeting was made, seconded, and passed unanimously.

Committee & Staff Reports

Report of Investment Advisor: Robert Hennes, Hugh Johnson Advisors, LLC.
There has been a rising interest rate environment, which is good for savers. It is expected that the Fed will continue to raise rates, and the economy is doing good for now. The Fed still has low rates comparatively, which means they don’t have good tools currently for next contraction.
The authority’s debt service is around 3 million, which will be gone by December 3rd, until it builds up again. The portfolio shows that all or the funds are either government bonds or FCIC insured.

Report of Rate Consultant: William Kahn, UHY Advisors
We held monthly meetings with the Albany Water Board and will suggest a 2% rate increase for January 2019. The rate increase is not cash related, but is rather needed because of years of slow decline in debt coverage ratio. It is likely to have a series of increases in future years, which should be around 2% each time. We are currently taking on debt, however it has no immediate principal or interest payments, as our debt service ratio is more about an increase in expenses, not an increase in debt.
Looking at the historical rates table shows that the large user II category was not created until 2007. These users are only the State, and UAlbany. About 50-60 customers are in the large user I or II category, but almost 40% of the revenue comes from these large users. The rate increase will be about $10 on an annual basis for residential customers. A public hearing on the rate increase will probably be held in November.

Financial Report: Thomas Dufresne, Chief Fiscal Officer
August was cash flow positive for the month and the year. Expenses are up 5%, which are all personnel related. We are currently in line with capital spending to date and debt service is declining.
Resolutions

Mr. McEneny called for a motion to approve each of the following resolutions. A motion was made, seconded and each resolution passed unanimously.

- **Resolution 18-05**: Authorizing the disbursement of funds to pay invoices of the Authority as follows:
  
  - Hugh Johnson Advisors in the total amount of $4,937.50 for quarterly investment advisory services for the periods 4/1/18 – 6/30/18 ($2,468.75) & 7/1/18 – 9/30/18 ($2,468.75).
  - Fiscal Advisors & Marketing, Inc. in the amount of $1,500 for financial advisory services in connection with the Upper Washington Corridor Wastewater Pump Station and Force Main project - EFC ($4,269,970 aggregate principal amount second resolution notes – Series 2018A).
  - AMTEC in the amount of $700 for professional services – school resolution revenue bonds, series 2011A.
  - Wilmington Trust in the total amount of $3,750 for the annual trustee fees for 2018A Debt Service Fund ($3,000) & ESC 2000A RED FD 1003058 ($750).
  - M&T Investment Group in the amount of $3,000 for services rendered as Trustee for the Albany Municipal Water Finance Authority in connection with the Series 2018A Bond.

- **Resolution 18-06**: Resolution to execute the Albany Pool Communities Intermunicipal Agreement relating to cash disbursements and long term debt service agreements with the City of Cohoes and City of Rensselaer.

Being no further business, Chairman McEneny called for a motion to adjourn the meeting. A motion was made, seconded and passed unanimously. The meeting was adjourned at 9:03 AM.

Next meeting will be held on Friday, December 14 at 8:00 AM.

Recorded by: Emily Lyons, Confidential Assistant

Approved by: [Signature]
Gary Overdorl, Secretary