



WATER AND SEWER EXPANSION AUTHORITY FINANCE COMMITTEE MEETING MINUTES

Date: January 11, 2006
Time: 1:30 p.m.
Location: City Hall, Committee Room A

Attending Members:
Al Sinclair, Chair
Lawrence Jones

Chair Sinclair called the meeting to order / quorum determined.

Review and Discussion of Financing Applications

Hendricks Day School

- Loan request for \$113,335 for connection to sewer (project is currently under construction)
 - Treasurer and CPA of Hendricks Day School in attendance. Mr. Sinclair explained his responsibility to underwrite the loan request and to ask the Board Members to vote on finance recommendation.
 - Indebtedness on the property – little or almost no equity in the mortgagable property. \$2 million+ loan with a bank; value of property is approximately same as the debt, which raises question – is there enough value to protect a 2nd mortgage that WSEA would finance? Without a clear protection from equity in real estate, is the cash flow sufficient – enough cash flow to pay our loan? Loan would be fairly small – contemplating \$113,335. Mr. Sinclair asked the present representatives to address the issue of cash flow to the school and to advise if cash flow would be sufficient. The Treasurer present advised they took possession of the property in June and that the financial records WSEA received did not include enhancements to the property. In addition, \$770,000 has been raised outside of the operations. They have made renovations through fund raising. They have a strong Board and a strong parental funding source to assist financing needs.
 - Mr. Sinclair addressed the 10/31/05 finance statements – outgo/income comparable? The Representatives present explained the financial records that Mr. Sinclair had in possession.

- Church Fellowship Worship Ministries
 - Loan request for \$95,000 for connection to sewer (project is pre-design)
 - Two represented from Ministries in attendance.
 - Mr. Sinclair reviewed the 2004/2005 financial statement.
 - Average members per week – 250-300.

Meting Adjourned