

FINANCE COMMITTEE MEETING  
FRIDAY, JANUARY 12, 1996, 8:30 AM  
ROOM 564, COUNTY COURTHOUSE

Present: Marshall Faircloth, Commissioner  
Billy King, Commissioner  
Lee Warren, Commissioner

OTHERS: Cliff Strassenburg, County Manager  
James Martin, Deputy County Manager  
Carlisle McCutcheon, Finance Director  
George B. Pugh, Jr., Craigie, Inc.  
David Fischer, Craigie, Inc.  
Rhonda R. Davis, Deputy Clerk

The meeting was duly called to order.

AGENDA ITEMS:

2. Interviews: Craigie, Inc.  
Wachovia

Representatives from Wachovia were unable to attend the meeting due to inclement weather.

George Pugh, Executive Vice President and Managing Director of Craigie, Inc. presented information regarding their financial advisory services including engagement staffing, qualifications of Craigie, Incorporated and understanding of required services. He noted Craigie's experience and expertise in governmental financing and that their firm specializes in the bond business. He noted they have experience in every kind of public financing. He noted their experience with Rating Agencies, Bond Insurers and Institutional Investors and have assisted many of their clients in establishing a formal "Debt Management Policy". Mr. Pugh noted he feels it is important that Cumberland County have a "Debt Management Policy" because of their visibility. The policy would certainly be subject to review and change as needed, but it would provide a "road map" to follow. Also, a "Debt Management Policy" is important in that it is a positive rating factor. They listed their clients which included other North Caroling City and County Governments.

David Fischer, Vice President with Craigie, Inc. noted they have experience as an underwriter and financial advisor in every type of project Cumberland County is looking toward.

Mr. Pugh then reviewed Craigie's approach to Cumberland County's projects. They have reviewed the County's financial statements for 1995 and they will help to look at a long term plan and debt issuance plan. They will also help to work out a strategy for the County's rating.

Mr. Strassenburg asked if Craigie could assist Cumberland County to improve it's rating?

Mr. Pugh stated he feels Cumberland County has an A1 rating instead of a AA rating

because of things that are beyond the County's control. Craigie would do their best to keep the County's rating at a strong, high level and will help to argue for an improved rating.

Mr. Pugh then laid out the details of long term financial planning and they will help develop the types of issues to finance what the County wants to finance.

Mr. Fischer then reviewed the County's outstanding debt and what they would look at to begin work. He then noted they would develop repayment structures to make sure that it fits in with the overall debt. Mr. Fisher stated he feels Cumberland County has planned for the debt it is now facing and revenues will grow into the new debt. He stated Craigie, Inc. will assist the County in every aspect of financing each specific project. He then presented options for each project. He stated he would recommend combining some smaller projects into one package.

Mr. Pugh then presented Craigie's adjusted fees for services.

Mr. Fischer noted fees are broken down on a per bond and hourly fee basis. There will be an annual retainer fee for financial planning and a separate fee for specific projects. If the County chooses to go with a per bond fee, there would be the annual retainer for planning and then they would be paid a fee per bond. A GO bond would be included in the retainer fee for long term planning. COPs on variable rate bond issue would be charged on the per bond fee basis.

Mr. Pugh and Mr. Fischer ended their presentation and left the meeting.

Mr. Strassenburg noted the County needs long term planning, as it will have implications on future budgets. The County needs to do good thinking and projections.

**MOTION:** Commissioner King offered a motion to recommend to the full Board that the County hire Craigie, Incorporated as the County's Financial Advisor.  
**SECOND:** Commissioner Lee Warren  
**VOTE:** UNANIMOUS

**NOTE:** All information presented by Craigie are on file in the Clerk's Office.

Meeting adjourned 10:11 AM.