



AGENDA

STATE FINANCE COMMITTEE

August 17, 2015 at 11:00 AM

1. Approval of minutes of the September 4, 2014 State Finance Committee meeting.
2. Resolution 1174 confirming the reappointment of Theresa Whitmarsh as Executive Director of the Washington State Investment Board.
3. Informational Item. Market update.
4. Resolution 1170 authorizes the issuance of State of Washington General Obligation Bonds in the maximum principal amount of \$2,287,376,000 for the purpose of providing funds to pay and reimburse state expenditures for various state projects identified in the Bond Act; providing for certain terms and covenants of the bonds; providing for certain other provisions safeguarding the payment of the principal thereof and interest thereon; and authorizing and directing the sale of said bonds in one or more sales. Resolution No. 1170 also authorizes the State Treasurer to establish the method of sale of bonds and adopt bond sale resolutions.
5. Resolution 1171 authorizes the issuance of State of Washington Motor Vehicle Fuel Tax General Obligation Bonds in the maximum principal amount of \$651,651,000 pursuant to various bond acts for the purpose of providing funds to pay and reimburse state expenditures for various transportation projects identified in those bond acts; providing for certain terms and covenants of the bonds; providing for certain other provisions safeguarding the payment of the principal thereof and interest thereon; and authorizing and directing the sale of said bonds in one or more sales. Resolution No. 1171 also authorizes the State Treasurer to establish the method of sale of bonds and adopt bond sale resolutions.
6. Resolution 1172 authorizes the issuance of various purpose general obligation refunding bonds in the maximum principal amount of \$9,600,000,000 and motor vehicle fuel tax general obligation refunding bonds of the state in the maximum principal amount of \$6,200,000,000 for the purpose refunding certain outstanding various purpose general obligation bonds and motor vehicle fuel tax general obligation bonds of the state and thereby effecting a debt service savings to the state.
7. Resolution 1173 approves and establishes the maximum principal amount of financing contracts and certificates of participation of the state.

State Finance Committee Meeting Minutes
Olympia, Washington
September 4, 2014
3:15 pm

The State Finance Committee met in a special meeting after notice duly given to the public.

Present: James McIntire, State Treasurer, Chair
Jay Inslee, Governor, by phone
Brad Owen, Lt. Governor, by phone

Also Present: Ellen Evans, Office of the State Treasurer
Svein Braseth, Office of the State Treasurer
Wolfgang Opitz, Office of the State Treasurer
John Ryan, Office of the Attorney General
Rob Shelley, Piper Jaffrey, by phone
Wendy Kancianich, Office of the State Treasurer
Wendy Weeks, Office of the State Treasurer
Sue Melvin, Office of the State Treasurer
Kate Manley, Office of the State Treasurer
Pam Johnson, Office of the State Treasurer
Scott Merriman, Office of the State Treasurer

Chair McIntire called the meeting to order at 3:14 pm on September 4, 2014.

Item 1: Approval of the Minutes

Treasurer McIntire introduced the motion to approve the minutes from the May 21, 2014 at 11:40 am State Finance Committee Meeting. The motion was moved by the Lt. Governor, seconded by the Governor and approved unanimously.

Item 2: Resolution 1160 Appointing U.S. Bank to Act as State's Fiscal Agent

Treasurer McIntire introduced Resolution 1160 appointing U.S. Bank National Association to act as the state's fiscal agent.

Treasurer McIntire asked Ms. Ellen Evans, Deputy State Treasurer for Debt Management, to provide a background of the contract.

Ms. Evans described resolution 1160 and the role of fiscal agent for the state.

Approval of the resolution was moved by the Lt. Governor, seconded by the Governor, and adopted unanimously.

Treasurer McIntire adjourned the meeting at 3:21 pm.

STATE FINANCE COMMITTEE
STATE OF WASHINGTON

By _____
James L. McIntire
State Treasurer and Chairman

By _____
Jay Inslee
Governor and Member

By _____
Brad Owen
Lieutenant Governor and Member

ATTEST:

Ellen Evans, Deputy State Treasurer
and Secretary



**STATE OF WASHINGTON
STATE INVESTMENT BOARD**

**2100 Evergreen Park Drive SW • P.O. Box 40916 • Olympia, Washington • 98504-0916
(360) 956-4600 • Fax (360) 956-4785 • www.sib.wa.gov**

August 13, 2015

The Honorable James L. McIntire, Chairman, State Treasurer
The Honorable Jay R. Inslee, Governor
The Honorable Brad Owen, Lieutenant Governor
State Finance Committee
Office of the State Treasurer
Post Office Box 40200
Olympia, Washington 98504-0200

Honorable Members of the State Finance Committee:

At its June 18, 2015, meeting, the Washington State Investment Board re-appointed Ms. Theresa J. Whitmarsh as its executive director for a three-year term, from October 1, 2015, until September 30, 2018. In accordance with RCW 43.33A.100, this appointment is forwarded for confirmation by the State Finance Committee. We respectfully request this matter be placed on the August 17, 2015, State Finance Committee meeting agenda.

Ms. Whitmarsh's resume is enclosed.

I will attend the August 17 State Finance Committee meeting to represent the Washington State Investment Board's request and to be available for any questions regarding this reappointment.

Please do not hesitate to contact me at (360) 664-7312 if you need additional information.

Respectfully,

Marcie Frost
Board Chair

Enclosure

cc: Theresa J. Whitmarsh

Theresa J. Whitmarsh
19006 Old Highway 99 SW
Rochester, Washington 98579

360.956.4710 work
360.273.5721 home

- Qualifications**
- Recognized leader with proven ability to create and communicate a compelling vision and move complex organizations to achieve defined goals.
 - Profound knowledge of business, technology, insurance and finance.
 - Proven track record formulating and executing major new product and service initiatives in complex markets; as well as new policy initiatives in the public sector.
 - Customer focused; built strong relationships with stakeholders and partners through a quick grasp of their issues and a flexible approach to problem solving.
 - Seasoned public speaker; persuasive negotiator.
 - Outstanding senior manager with excellent personnel skills.

- Experience**
- 2009-current
- Executive Director, Washington State Investment Board, Olympia, Washington:**
Serve as the Board's chief executive officer, overseeing a staff of 97 that implements the Board's investment policy decisions. Responsible for all aspects of running a \$106 billion investment management firm with mandates for 35 state funds comprised of defined benefit and defined contribution retirement plans; deferred compensation program; workers' compensation; and several other trust and public funds. Serve as primary liaison between Board and staff and key spokesperson for the Board with media, policymakers and system stakeholders. *Selected accomplishments:*
- Provided calm and steady leadership as interim executive during a time of significant market turmoil, retaining all key staff and keeping team focused on mission and goals despite the market and organizational uncertainty.
 - Significantly advanced risk and research capabilities at the WSIB leading to better decision tools and more robust Board and staff discussions.
 - Improved relations with key beneficiary groups through carefully listening to their needs and adjusting Board meeting agendas to enhance public attendance.
 - Quickly established solid relationships with Legislative leadership leading to continued confidence in the WSIB as a trusted fiduciary of state assets.

- 2003-2009
- Chief Operating Officer, Washington State Investment Board, Olympia, Washington:**
Recruited by newly appointed executive director to build an operational infrastructure to support a more complex and innovative investment environment for a fund that is under increasing demand for returns. Managed all investment operations staff, including research and risk management; investment accounting; trade settlement; business and office services; human resources; information technology; legal and compliance; and, contracts. Responsible for agency-wide strategic planning and plan execution; managed a \$701 million biennial budget and major vendor relationships. Served as staff lead to Board's Administrative and Audit Committees. *Selected accomplishments:*
- Increased the organization's capacity for change by developing an agency-wide strategic planning process and project management methodology so division projects are developed and executed on time and on budget.
 - Enhanced operational efficiency by breaking down long-standing barriers between investments and operations by creating a strong service ethic in operations and formal coordination channels between the front and back offices.
 - Upgraded entire IT infrastructure, implementing fixed income electronic trade order management system and compliance system to replace manual processes, introducing mobile computing options for investment officers and developing a data warehouse
 - Streamlined money manager vendor selection process, reducing time from proposal to

- engagement from more than six months to six weeks.
- Increased fund transparency through establishment of investment compliance function and by calling for first-ever external audit of financial statements.
- Established a cost accounting system for all non-appropriated funds, including investment management fees, and established monitoring program to industry benchmarks to ensure the WSIB maintains position as a low cost provider.
- Established an enterprise risk management program, including risk principles, risk assessment tools, a risk oversight committee and reporting structure for the Board and Audit Committee.
- Measurably improved operations staff morale by building a strong operations management team through targeted recruitments and promotions.
- Positioned the WSIB as a global leader among public funds by serving as a founding member of an international pension collaboration initiative.
- Initiated building out robust analytical infrastructure comprised of research and risk staff, and systems that will provide quantitative analysis to enhance investment decision making.

1996 - 2003

Vice President, Business Development, Solucient, L.L.C., Evanston, Illinois:

Senior executive of an established health care data company. Served as a senior dealmaker and national account executive in the commercial markets division, growing company revenues through direct sales and channel partner relationship management. Lead technology and account management teams to successful delivery in new, complex client engagements. Directed the activities of business and technology staff in the creation of new financial reporting software products to assist Fortune 1000 companies manage their employee benefits. Developed and executed business plans, including determining ROI for new product releases. Targeted new markets and created strategic alliances in those markets to lead to sales. Closed initial new product deals (beta releases) for division, including negotiating complex contracts.

Selected accomplishments:

- Created a new, highly profitable financial reporting product line, saving failing business unit from spin-off and preserving its core capabilities for the growing corporation.
- Brought in and closed largest single deal in history of company (\$5.4 million).
- Built Western U.S. Region presence for company from scratch, leading to numerous new business opportunities and sales.

1993 - 1996

Assistant and Deputy Director for Insurance Services, Washington State Department of Labor and Industries, Olympia, Washington:

Served as the senior executive of the Washington State Fund, the 13th largest workers' compensation carrier in the nation. Managed up to 1200 staff responsible for the assessment, collection and administration of more than \$700 million in annual insurance premiums and paid out more than \$1.2 billion in benefits to claimants. Directed a \$100 million biennial operating budget. Chaired the Workers' Compensation Advisory Committee, comprised of leading business and labor leaders who set policy direction for agency, successfully mediating numerous conflicts between these key stakeholders. Served as the state's spokesperson on industrial insurance issues to the legislature, business and labor groups, and news media. Established industrial insurance premium rates.

Selected accomplishments:

- Improved financial performance of the industrial insurance fund through investment strategies and operational initiatives that resulted in a base rate reduction for insureds of ten percent and a rebate to customers of \$200 million.
- Created organizational coherence by integrating disconnected agency initiatives and focusing on reducing long-term disability in injured workers, resulting in a reduction of time-loss duration for five straight quarters.
- Introduced significant new technology to the agency, including an enhanced call center and on-line access to claims files for employers. Oversaw the completion of a \$26 million document imaging system, including roll out to 12 field service locations.

1990 - 1993	<p>Assistant Director for Public Affairs, Labor & Industries, Olympia, Washington Prior to leading the industrial insurance program at Labor & Industries, served as agency director's senior advisor for public affairs, advising on policy, legislation and customer service, positioning the agency with opinion makers as an innovative organization that out-performed private sector.</p> <ul style="list-style-type: none"> • Created strong issues management focus within the agency, through education of executive team members and ongoing consulting that consistently surfaced and resolved issues before they became problematic. • Brought in prestigious <i>Innovations in State and Local Government</i> award from The Ford Foundation and The JFK School of Government at Harvard. • Served as consultant to the Washington State Investment Board that oversaw \$30 billion in pension and industrial insurance funds, advising on public issues related to legal and operational reviews of Board actions. Served as the Board chair's designee to work with law and accounting firms who were conducting reviews to ensure final products would lead to increased public confidence in Board decisions. • Served at request of Governor Booth Gardner as one of four leads that directed all activities related to his 1992 health care reform legislation.
1986 - 1989	<p>Communications Director, Independent Insurance Agents and Brokers of California, San Francisco, California: Managed the public affairs activities for a politically active trade association during a time when the state was experiencing sweeping reform of its insurance laws.</p> <ul style="list-style-type: none"> • Served as executive staff member, researching and advising officers and board members on major insurance market movements as a result of reforms. • Developed and implemented a communications strategy that positioned the association as an objective source of accurate insurance information for lawmakers, insurance regulators, journalists and consumer groups, leading to unprecedented credibility for insurance agents. • Served as founding editor of weekly award-winning newsletter, which was read avidly by members, the media, state lawmakers and industry leaders.
1978-1985	<p>Prior to joining the insurance trade group, held a variety of increasingly responsible journalism and communications positions, culminating in serving as the editor of a finance newsletter <i>Major Risk</i>, reporting on underwriting criteria and capacity at the major property/casualty insurers in the United States and at Lloyds of London. Published in <i>Barron's</i> as freelance reporter covering a huge investment scam.</p>
Education	<p>Masters of Business Administration, <i>Technology and Innovation Management</i>, Pacific Lutheran University, 2000 Bachelor of Arts, <i>English Literature</i>, Seattle Pacific University, 1978</p>
Other	<p>Chair, Pacific Pension Institute, San Francisco Co-Chair, Council of Institutional Investors, Washington DC Member, Millstein Center for Corporate Governance Advisory Board, NYC Member, World Economic Forum's Global Agenda Council on the Future of Investing, NYC Immediate Past Director, International Centre for Pension Management, University of Toronto</p>

**OFFICE OF THE STATE FINANCE COMMITTEE
OLYMPIA, WASHINGTON**

RESOLUTION NO. 1174

A RESOLUTION OF THE STATE FINANCE COMMITTEE OF THE STATE OF WASHINGTON CONFIRMING THE RE-APPOINTMENT OF MS. THERESA WHITMARSH AS EXECUTIVE DIRECTOR OF THE STATE INVESTMENT BOARD FOR A TERM OF THREE YEARS, AS PROVIDED BY RCW 43.33A.100.

WHEREAS, the State Investment Board has determined to re-appoint Theresa Whitmarsh, as the Board's executive director; and

WHEREAS, such employment is subject to confirmation of the State Finance Committee under the terms of RCW 43.33A.100; and

WHEREAS, the State Investment Board has submitted the name of Theresa Whitmarsh to the State Finance Committee, and requested that the State Finance Committee consider confirming Ms. Whitmarsh's continued employment by the State Investment Board as that Board's executive director; and

WHEREAS, the State Finance Committee has fully considered the professional qualifications of Ms. Whitmarsh for the position of the State Investment Board executive director, and other information relevant to such employment; and

WHEREAS, the State Finance Committee finds that Ms. Whitmarsh continues to be qualified for the position of the State Investment Board's executive director;

NOW THEREFORE, BE IT RESOLVED BY THE STATE FINANCE COMMITTEE acting for and on behalf of the State of Washington:

Section 1. The employment of Ms. Theresa Whitmarsh by the State Investment Board as that Board's executive director should be, and hereby is, confirmed.

Section 2. This confirmation is subject to the employment term, and other conditions, set out in RCW 43.33A.100 and other applicable law.

Section 3. This resolution shall be effective immediately upon its adoption.

ADOPTED at an open meeting of the State Finance Committee, State of Washington, held at Olympia, Washington, after notice thereof duly and regularly given as required by law, this 17th day of August, 2015.

STATE FINANCE COMMITTEE
STATE OF WASHINGTON

By _____
James L. McIntire
State Treasurer and Chairman

By _____
Jay Inslee
Governor and Member

By _____
Brad Owen
Lieutenant Governor and Member

ATTEST:

Ellen Evans, Deputy State Treasurer
and Secretary



JAMES L. McINTIRE, Chairman
State Treasurer

JAY R. INSLEE
Governor

State of Washington
STATE FINANCE COMMITTEE

BRAD OWEN
Lieutenant Governor

August 17, 2015

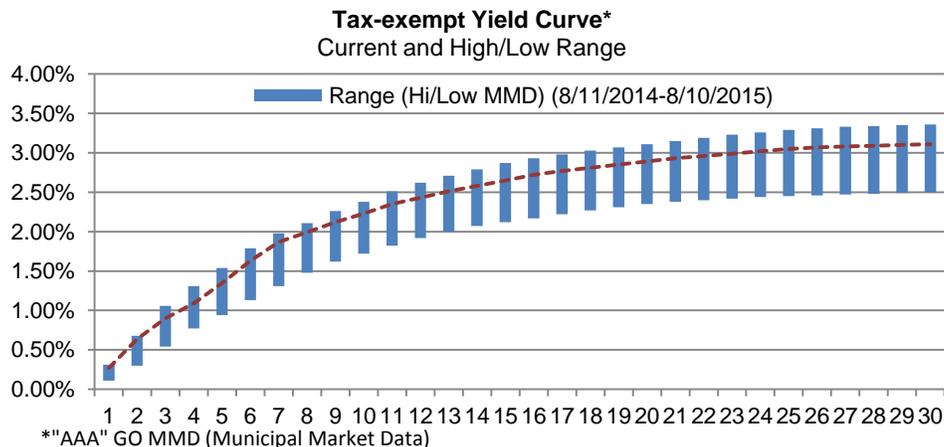
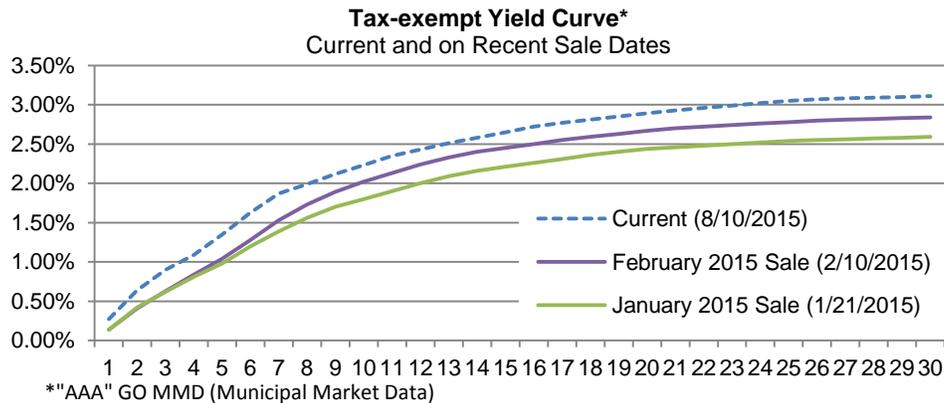
MEMORANDUM

TO: The Honorable James L. McIntire
The Honorable Jay R. Inslee
The Honorable Brad Owen

FROM: Ellen Evans
Deputy State Treasurer

RE: Market Update

Although municipal interest rates have edged higher in recent months, borrowing costs remain at historic lows, well within the band of high and low rates seen over the past year.



Office of the State Treasurer

The State last entered the market in January and February of this year for approximately \$1.4 billion new money and refunding bonds. Due to the overall size of the transaction, issuance was spread over two dates.

January 21, 2015 *Par Amount \$998,550,000*

Series Name	Series	Par Amount	TIC	Avg. Life (yrs)
VP GO Bonds	2015B	\$281,750,000	3.3662%	17.578
MVFT GO Bonds	2015C	\$199,920,000	3.2649%	15.462
GO Bonds (Taxable)	2015T-2	\$58,120,000	1.5819%	3.752
VP GO Refunding Bonds	R-2015E	\$458,760,000	2.6686%	12.018

February 10, 2015 *Par Amount: \$393,385,000*

Series Name	Series	Par Amount	TIC	Avg. Life (yrs)
MVFT GO Refunding	R-2015F	\$147,325,000	2.8266%	10.964
VP GO Refunding	R-2015G	\$113,315,000	2.4324%	8.773
MVFT GO Refunding	R-2015H	\$132,745,000	3.2316%	13.984

Counsel and Advisors.

Bond Counsel:	William Tonkin, Foster Pepper PLLC
Financial Advisor:	Robert Shelley, Piper Jaffray, Seattle Northwest Division Chia-Jung Yang, Montague DeRose and Associates LLC



JAMES L. McINTIRE, Chairman
State Treasurer

JAY R. INSLEE
Governor

State of Washington
STATE FINANCE COMMITTEE

BRAD OWEN
Lieutenant Governor

August 17, 2015

MEMORANDUM

TO: The Honorable James L. McIntire
The Honorable Jay R. Inslee
The Honorable Brad Owen

FROM: Ellen Evans
Deputy State Treasurer

RE: **Proposed Resolution No. 1170** authorizes the issuance and sale of State of Washington Various Purpose General Obligation Bonds

Proposed Resolution No. 1170 authorizes the issuance of State of Washington General Obligation Bonds in the maximum principal amount of \$2,287,376,000 for the purpose of providing funds to pay and reimburse state expenditures for various state projects identified in the Bond Act; providing for certain terms and covenants of the bonds; providing for certain other provisions safeguarding the payment of the principal thereof and interest thereon; and authorizing and directing the sale of said bonds in one or more sales. Resolution No. 1170 also authorizes the State Treasurer to establish the method of sale of bonds and adopt bond sale resolutions.

The Bonds will be used to fund expected cash flow requirements for the 2015-17 biennium, based upon preliminary issuance projections from the 2015 Legislative Session. Issuance is currently planned on a semi-annual schedule. Proceeds are to be deposited in the following funds:

Fund Number	Fund Name	Preliminary Amounts
057	State Building Construction Account	2,045,395,665
070	Outdoor Recreation Account	26,015,100
244	Habitat Conservation Account	15,893,000
355	State Taxable Building Const. Account	139,303,235
09C	Farmlands Preservation Account	3,584,000
09G	Riparian Protection Account	3,825,000
10P	Columbia River Basin Water Supply	38,655,000
18B	Columbia River Basin Taxable Bond Water Supply	14,705,000
		2,287,376,000

Office of the State Treasurer

2015-17 Capital Budget appropriations and re-appropriations for bond-funded projects include (amounts shown in thousands):

	New App	Reapp
Department of Commerce		
Community Behavioral Health Beds - Acute & Residential	32,000	0
Local & Community Projects 2016	130,169	0
Housing Trust Fund Appropriation	75,000	0
Clean Energy and Energy Freedom Program	40,400	0
Energy Efficiency and Solar Grants	25,000	0
Building Communities Fund Program	20,859	0
2013-2015 Energy Efficiency Grants	0	21,714
Clean Energy and Energy Freedom Program	0	27,993
Housing for Farmworkers	0	19,723
Projects for Jobs & Economic Development	0	22,256
Projects that Strengthen Communities & Quality of Life	0	22,372
Office of Financial Management		
Catastrophic Flood Relief	50,000	12,484
Department of Social and Health Services		
Western State Hospital New Kitchen and Commissary Building	29,000	0
Department of Ecology		
Floodplains by Design	35,560	0
Stormwater Financial Assistance Program	20,000	0
Yakima River Basin Water Supply	30,000	0
Columbia River Water Supply Development Program	0	44,165
Floodplain Management and Control Grants	0	40,389
University of Washington		
Denny Hall Renovation	0	27,300
Burke Museum	26,000	650
Washington State University		
Everett University Center	54,563	4,000
WSU Pullman - Troy Hall Renovation	20,682	850
Central Washington University		
Science Building	0	42,000
Samuelson Communication and Technology Center (SCTC)	56,041	1,600
Western Washington University		
Carver Academic Renovation	58,600	323
Community & Technical College System		
Clark College: Health and Advanced Technologies Building	0	29,979
Minor Works - Program	22,456	0
Olympic College: College Instruction Center	46,516	1,152
Centralia Community College: Student Services	32,089	631
Peninsula College: Allied Health and Early Childhood Dev Center	23,790	903
South Seattle Community College: Cascade Court	28,231	983
Public Schools		
K-3 Class-size Reduction Grants - SSB 6080	200,000	0
2013-15 School Construction Assistance Program - Maintenance	0	255,339
2015-17 School Construction Assistance Program	302,121	0
Puget Sound Skills Center	19,433	59

The issuance is expected to be allocated to bond authorizations as shown in the table below:

Chapter and Laws (Bond Authorizations)	Bonds			Preliminary Allocation
	Authorized	Issued	Unissued	
Ch. 14 -- Laws of 1989, 1st Ex. Sess., as amended.....	\$ 578,439,431	\$ 547,270,000	\$ 31,169,431	\$ -
Ch. 18 -- Laws of 2003, 1st Sp. Sess.....	253,825,000	195,285,000	58,540,000	-
Ch. 147 -- Laws of 2003, Regular Sess.....	203,590,000	165,540,000	38,050,000	-
Ch. 167 -- Laws of 2006, Regular Sess.....	214,305,000	150,255,000	64,050,000	53,360,000
Ch. 179 -- Laws of 2008, Regular Sess.....	141,725,000	125,745,000	15,980,000	11,235,000
Ch. 6 -- Laws of 2009, Regular Sess.....	133,000,000	124,325,000	8,675,000	-
Ch. 498 -- Laws of 2009, Regular Sess.....	2,219,000,000	2,029,230,000	189,770,000	3,620,000
Ch. 49 -- Laws of 2011, 1st Sp. Sess.....	1,122,000,000	990,670,000	131,330,000	3,915,000
Ch. 1 -- Laws of 2012, 1st Sp. Sess.....	505,466,000	456,215,000	49,251,000	-
Ch. 20 -- Laws of 2013, 2nd Sp. Sess.....	2,036,000,000	644,320,000	1,391,680,000	964,418,281
Ch. 37 -- Laws of 2015, 3rd Sp. Sess.....	2,332,456,000	-	2,332,456,000	1,250,827,719
<i>Subtotal</i>	\$ 9,739,806,431	\$ 5,428,855,000	\$ 4,310,951,431	\$ 2,287,376,000

- **Counsel and Advisors.**

Bond Counsel: William Tonkin, Foster Pepper PLLC
 Financial Advisor: Robert Shelley, Piper Jaffray, Seattle Northwest Division
 Chia-Jung Yang, Montague DeRose and Associates LLC



JAMES L. McINTIRE, Chairman
State Treasurer

JAY R. INSLEE
Governor

State of Washington
STATE FINANCE COMMITTEE

BRAD OWEN
Lieutenant Governor

August 17, 2015

MEMORANDUM

TO: The Honorable James L. McIntire
The Honorable Jay R. Inslee
The Honorable Brad Owen

FROM: Ellen Evans
Deputy State Treasurer

RE: **Proposed Resolution No. 1171** authorizes the issuance and sale of State of Washington Motor Vehicle Fuel Tax General Obligation Bonds

Proposed Resolution No. 1171 authorizes the issuance of State of Washington Motor Vehicle Fuel Tax General Obligation Bonds, in the maximum principal amount of \$651,651,000 for the purpose of providing funds to pay and reimburse state expenditures for various transportation projects identified in the Bond Act; providing for certain terms and covenants of the bonds; providing for certain other provisions safeguarding the payment of the principal thereof and interest thereon; and authorizing and directing the sale of said bonds in one or more sales. Resolution No. 1171 also authorizes the State Treasurer to establish the method of sale of bonds and adopt bond sale resolutions.

The Bonds will be used to fund various transportation capital projects throughout the state as authorized by the 2015-17 Transportation Budget. Issuance is currently planned on a semi-annual schedule. Examples of projects funded in part by bond proceeds for the 2013-15 Biennium are attached. Bond proceeds are to be deposited in the following funds:

Fund Number	Fund Name	2015-17 Amount
09H	Transportation Partnership Account	508,793,000
550	Transportation 2003 (Nickel) Account	142,858,000
	TOTAL	651,651,000

Office of the State Treasurer

The issuance is expected to be allocated to the bond authorizations as shown in the table below:

Chapter and Laws (Bond Authorizations)	Bonds			Preliminary Allocation
	Authorized	Issued	Unissued	
Ch. 83 -- Laws of 1967, 1st Ex. Sess.....	\$ 103,890,000	\$ 61,320,000	\$ 42,570,000	\$ -
Ch. 293 -- Laws of 1990.....	15,000,000	13,400,000	1,600,000	-
Ch. 431 -- Laws of 1993, as amended.....	354,010,000	128,177,709	225,832,291	-
Ch. 432 -- Laws of 1993.....	81,280,000	6,085,000	75,195,000	-
Ch. 440 -- Laws of 1993.....	31,660,000	24,150,000	7,510,000	-
Ch. 183 -- Laws of 1994.....	11,200,000	4,990,000	6,210,000	-
Ch. 321 -- Laws of 1998.....	1,180,805,000	1,107,371,712	73,433,288	-
Ch. 147 -- Laws of 2003.....	2,028,745,000	1,667,928,877	360,816,123	142,858,000
Ch. 315 -- Laws of 2005.....	4,907,335,000	2,699,123,336	2,208,211,664	508,793,000
Total.....	\$ 8,713,925,000	\$ 5,712,546,634	\$ 3,001,378,366	\$ 651,651,000

- **Counsel and Advisors.**

Bond Counsel: William Tonkin, Foster Pepper PLLC
 Financial Advisor: Robert Shelley, Piper Jaffray, Seattle Northwest Division
 Chia-Jung Yang, Montague DeRose and Associates LLC

Puget Sound

Tacoma/Pierce County High Occupancy Vehicle (HOV): This section of I-5 is experiencing congestion during peak hours and is part of the Pierce County Core HOV program. WSDOT is reconstructing the eastbound interchange at I-5 and SR 16. This includes replacing the bridges over Nalley Valley, constructing freeway connections, reconstructing all of the ramp roadways and structures, and prepares for HOV lanes on I-5 and SR 16. This project will also construct a new northbound I-5 bridge across the Puyallup River that will be used for both northbound and southbound traffic in the interim. It will reconstruct the I-5/SR 167 interchange by widening the East Bay Street Bridges and reconstructing all on and off ramps except for the southbound off ramp to SR 167 and Portland Avenue. The I-5/Portland Avenue Bridge will be widened and the north side ramps will be reconstructed. I-5 will be widened and a northbound HOV lane will be constructed from Portland Avenue to the Port of Tacoma Interchange. When complete, congestion will be reduced and motorist safety enhanced.

I-405/Kirkland Vicinity Stage 2 - Widening: I-405 is highly congested in the Kirkland area. This project will construct one additional northbound lane on I-405 from SR 520 to NE 160th St, and one additional southbound lane from SR 522 to SR 520. This project will replace the NE 160th St to SR 522 weave section with a braided ramp, grade separating the NE 160th St ramp from the off ramp to SR 522. Northbound I-405 will also be widened to add an auxiliary (add/drop) lane between NE 195th St and SR 527 in Bothell. This project will replace mainline structures on I-405 at NE 132nd St. This will reduce congestion and enhance mobility on I-405.

Eastern Washington

I-90/Snoqualmie Pass East: The section of I-90 between Hyak and Lake Keechelus Dam experiences congestion due to increasing traffic volumes and closures for avalanche control. By adding lanes to this section and realigning the roadway, the project will decrease congestion, minimize closures due to avalanche control, and increase safety.

US 395/NSC BNSF Railway Structures/Realignment: This project removes a chokepoint for continuation of the North Spokane Corridor south of the current terminus at the Freya Street Interchange by relocating the BNSF mainline, switching and spur tracks, construction of two freeway structures over the BNSF tracks, and two pedestrian/ bicycle structures. The project will also extend the existing bicycle pedestrian trail. This project is partially funded by a USDOT TIGER grant.

Southwest Washington

I-5/Mellen Street to Blakeslee Junction: Sections of I-5 in Cowlitz and Lewis counties are still only two lanes in each direction, making congestion a problem in this area. WSDOT will construct collector distributor lanes between Mellen Street and Harrison Avenue interchanges. The collector distributor lanes will improve safety by eliminating merging conditions between these interchanges and preserve mobility by separating local traffic from interstate traffic. Local drivers will be able to use the collector distributor lanes to travel between Chehalis and Centralia without merging onto I-5. Interstate drivers won't have to slow down for merging traffic between Mellen Street and Harrison Avenue. A new bridge over I-5 just south of Mellen Street will improve connectivity between I-5 and the local community, including the airport, hospital and college.



JAMES L. McINTIRE, Chairman
State Treasurer

JAY R. INSLEE
Governor

BRAD OWEN
Lieutenant Governor

State of Washington
STATE FINANCE COMMITTEE

August 17, 2015

MEMORANDUM

TO: The Honorable James L. McIntire
The Honorable Jay R. Inslee
The Honorable Brad Owen

FROM: Ellen Evans
Deputy State Treasurer

RE: **Proposed Resolution No. 1172** authorizes the issuance and sale of State of Washington General Obligation Refunding Bonds

Proposed Resolution No. 1172 authorizes the issuance of State of Washington Various Purpose General Obligation Refunding Bonds, in the maximum principal amount of \$9,600,000,000, and State of Washington Motor Vehicle Fuel Tax General Obligation Refunding Bonds, in the maximum principal amount of \$6,200,000,000, for the purpose of refunding certain outstanding Various Purpose General Obligation Bonds, Various Purpose General Obligation Refunding Bonds, Motor Vehicle Fuel Tax General Obligation Bonds, and Motor Vehicle Fuel Tax General Obligation Refunding Bonds of the state; making certain other provisions with respect to the payment of the principal of and interest on the bonds; approving the form of a refunding escrow agreement with respect to the bonds to be refunded; and providing for other matters properly related thereto. Resolution No. 1172 also authorizes the State Treasurer to establish the method of sale of bonds and to adopt bond sale resolutions.

Proposed Resolution No. 1172 is an omnibus refunding resolution that updates the authority to refund all outstanding refundable bonds. As of July 31, 2015, there were \$11,977,915,000 refundable bonds outstanding, reflecting all callable Various Purpose General Obligation Bonds, Various Purpose General Obligation Refunding Bonds, Motor Vehicle Fuel Tax General Obligation Bonds, and Motor Vehicle Fuel Tax General Obligation Refunding Bonds. Refundings are executed in accordance with the Committee's Debt Issuance Policy which establishes refunding savings thresholds.

With interest rates at historical lows, multiple refundings have been executed in recent years to lower the state's borrowing costs. Refundings since January 2009 have reduced debt service costs by more than \$1.065 billion on a nominal basis and \$856.2 on a present value basis (see table below).

Office of the State Treasurer

Series	Sales Date	Purpose	Par Value	True Interest Cost (TIC)	Debt Service Savings	
					Total	PV Total
R-2010A	6/9/2009	Various Purpose	386,380,000	3.6954%	40,927,642	34,110,587
R-2010B	10/14/2009	Various Purpose	215,500,000	3.6727%	19,176,813	15,254,905
R-2010C	10/14/2009	MVFT	121,235,000	3.7158%	10,380,656	8,281,427
R-2011A	7/28/2010	Various Purpose	365,605,000	2.6292%	47,243,610	42,458,760
R-2011B	9/15/2010	Various Purpose	401,435,000	3.0346%	51,800,101	39,452,643
R-2011C	9/15/2010	MVFT	393,950,000	2.8732%	56,868,757	43,657,696
R-2012A	10/13/2011	Various Purpose	461,380,000	2.5114%	58,439,978	48,667,309
R-2012B	10/13/2011	MVFT	42,330,000	3.3025%	3,865,887	2,941,936
R-2012C	1/31/2012	Various Purpose	733,705,000	2.6178%	145,607,951	114,686,266
R-2012D	1/31/2012	MVFT	271,055,000	2.5692%	50,396,398	40,492,402
R-2013T	7/18/2012	General Obligation	78,295,000	0.4907%	6,437,000	6,391,628
R-2013A	8/7/2012	Various Purpose	352,220,000	2.5836%	43,459,773	34,684,941
R-2013B	8/7/2012	MVFT	380,390,000	2.5113%	50,618,398	39,651,495
R-2013C	1/23/2013	Various Purpose	666,680,000	2.3587%	76,295,900	60,934,341
R-2013D	1/23/2013	MVFT	159,405,000	2.6584%	23,220,886	18,507,731
R-2014A	10/10/2013	Various Purpose	117,905,000	1.3725%	18,054,472	16,848,826
R-2014B	10/10/2013	MVFT	105,975,000	1.4436%	15,853,888	14,553,784
R-2015A	7/9/2014	Various Purpose	420,085,000	2.3731%	38,076,751	30,494,151
R-2015B	7/9/2014	MVFT	420,545,000	2.6145%	37,789,876	29,761,949
R-2015C	10/15/2014	Various Purpose	615,975,000	2.8433%	119,618,222	95,688,794
R-2015D	10/15/2014	MVFT	301,755,000	2.9471%	53,164,214	40,941,514
R-2015E	1/21/2015	Various Purpose	458,760,000	2.6703%	54,816,760	45,251,416
R-2015F	2/10/2015	MVFT	147,325,000	2.8266%	14,761,392	11,983,187
R-2015G	2/10/2015	Various Purpose	113,315,000	2.4325%	10,660,172	9,139,337
R-2015H	2/10/2015	MVFT	132,745,000	3.2317%	17,810,486	11,357,002
			7,863,950,000		1,065,345,982	856,194,026

- **Counsel and Advisors.**

Bond Counsel:	William Tonkin, Foster Pepper PLLC
Financial Advisor:	Robert Shelley, Piper Jaffray, Seattle Northwest Division Chia-Jung Yang, Montague DeRose and Associates LLC



JAMES L. McINTIRE, Chairman
State Treasurer

JAY R. INSLEE
Governor

BRAD OWEN
Lieutenant Governor

State of Washington
STATE FINANCE COMMITTEE

August 17, 2015

MEMORANDUM

TO: The Honorable James L. McIntire
The Honorable Jay R. Inslee
The Honorable Brad Owen

FROM: Ellen Evans
Deputy State Treasurer

RE: **Proposed Resolution No. 1173** approves and establishes the maximum aggregate principal amount of financing contracts and certificates of participation of the State

Proposed Resolution No. 1173 approves and establishes the maximum aggregate principal amount of financing contracts and certificates of participation of the State to be outstanding in the 2015-17 Biennium at \$1,451,899,820. This total includes \$966,605,820 outstanding financing contracts as of August 1, 2015, and an estimated \$485,294,000 financing contracts to be entered into and certificates of participation to be issued during 2015-17 Biennium. Of these, \$300,294,000 represent financing contracts authorized by the Legislature for State agencies, and \$185,000,000 represents the estimated State and local agency equipment and local agency real estate financing contracts for the Biennium.

Resolution No. 1173 also approves any refinancing contract (including issuance of refunding certificates of participation) to be entered into for the purpose of achieving interest cost savings in accordance with the Committee's Debt Issuance Policy's savings threshold.

• **Counsel and Advisors.**

Certificate Counsel: William Tonkin, Foster Pepper PLLC
Financial Advisor: Susan Musselman, Public Financial Management

Office of the State Treasurer