

FRANKLIN COUNTY
BOARD OF COMMISSIONERS
SPECIAL CALLED MEETING MINUTES
May 17, 2016
6:00 P.M.

Present: Commission Chairman Thomas Bridges
District 1 Commissioner Robert Franklin
District 2 Commissioner David Strickland
District 3 Commissioner Jeff Jacques
District 4 Commissioner Eddie Wester

Media: Shane Scoggins, *Franklin County Citizen*
Lisa Manus, *Franklin County Citizen*
Buddy Hardigree, *WLHR*

Staff: County Manager, Beth Thomas
County Clerk, Elaine Evans
County Attorney, Bubba Samuels

Chairman Bridges called the special called meeting to order at 6:10 p.m. He welcomed everyone. He extended his appreciation to Buddy Hardigree of *WLHR* and Lisa Manus and Shane Scoggins of the *Franklin County Citizen* for covering the meeting and getting the information out to the citizens of the County. Chairman Bridges said that the purpose of this meeting is hospital bond refinancing. He asked County Manager Beth Thomas to discuss this further.

Mrs. Thomas asked Andrew Tritt of Stifel-Merchant Capital Division to come forward and explain and give the details of the bonds. Mr. Tritt came forward and gave a handout to the Commission Board as well as the media. He said that the goal of the refinancing was to restructure the bonds in a way that is palatable to the County that will allow sales tax proceeds to make the debt service payments. Also, to capitalize the interest in order for the sales tax to kick in. All of the old Hospital Authority Bonds will completely go away.

Mr. Tritt said that part of the process was that the voters of the County passed a general obligation bond that would allow refinancing of the Hospital Authority debt. In this vote to refinance there were certain parameters such as not to exceed interest rate and not to exceed principal amount. After the voters approved the general obligation bond, preparations were made to do a public bonding. Mr. Tritt said that the public

bonding consists of an offering document that outlined and described the County with demographics; finances; and other details. This document was used to present to the rating agencies, Standard and Poor's and Moody's.

Standard and Poor's provided an enhanced rating and Moody's provided the underlying rating of the County. Mr. Tritt said that he and Mrs. Thomas had a conference call with the bond rating analyst who reviewed the credit worthiness of Franklin County. Included in this call were the demographics of the County; mileage rate; budgets and other information. Mr. Tritt said that the balanced budgets for FY15 and FY16 were important in the credit rating of the County which is an A2 investment grade category. He said that for peers of Franklin County, A2 is a heck of a bond rating. The bond rating is used to market the bonds. A bond insurance policy was also purchased that helped market the bonds and lowered the rating. Mr. Tritt said that the bonds have been marketed starting this week.

Mr. Tritt said that the big take away from this process of refinancing the bonds is that the interest rate is 2.72% down from 5.96%. The savings realized by the County with the refinancing is 1.5 million dollars along with shortening the payback years. Mr. Tritt said that the sales tax that was passed in November will pay this debt service until 2023. At that time this can be taken back to the voters to renew. Commissioner Strickland asked Mr. Tritt to confirm that the landowners in the County will not be paying this debt. Mr. Tritt affirmed that is correct, this will be paid by sales tax. By the voters passing the sales tax, Mr. Tritt said this did away with the need to create a special bond mileage rate. He then told the Commission Board that he would answer any questions. After the questions from the Commission Board a motion and second needs to take place to approve a bond resolution that will authorize a bond purchase, escrow deposit and everything that is needed to make the bond deal happen for the 2016 bonds.

Commissioner Strickland said that this seems pretty simple. Bubba Samuels said that from your county attorney's perspective it is pretty simple. He said that this is the same reason that you would refinance your house. This process is cutting six years off the loan as well as lowering the interest rate and saving 1.5 million dollars over the life of the loan. Mr. Samuels said that the resolution states everything that Mr. Tritt went over. The resolution also authorizes the Chairman to sign all the documents. Commissioner Strickland asked when the closing date would be. Mr. Tritt said that this bond is unique because there is a June 1, 2016 payment coming due so the closing date is soon. These bonds will make the June 1, 2016 payment and will also reimburse the December 1, 2015 payment. This is a quick turnaround so that the June 1 payment can be made.

Chairman Bridges asked for a motion to approve the bond resolution and allow the Chairman to sign the documents. Mr. Tritt said that the motion that is needed is to approve the 2016 bond resolution. This is the only motion necessary as the resolution covers everything that is needed. Mr. Samuels concurred that this is all that is needed.

Commissioner Strickland made the motion to accept the bond resolution for 2016. Commissioner Jacques seconded the motion. There was no discussion. Chairman Bridges asked for a show of hands. The motion passed by five (5) YES votes to zero (0) NO votes. The YES votes were Commissioner Wester; Commissioner Jacques; Chairman Bridges; Commissioner Strickland; and Commissioner Franklin.

Mrs. Thomas thanked everyone who worked with the County to get this process completed. She especially thanked County Attorney Bubba Samuels; Bond Attorneys Gray, Pannell and Woodward and Andrew Tritt with Stifel. She said that each of these people have been working on these documents for months. Commissioner Jacques said that it is obvious from looking at the documents. Chairman Bridges said that Mrs. Thomas was to be thanked for staying with the attorneys and doing the work. Commissioner Jacques said that he is most thankful for the citizens of Franklin County for passing the SPLOST that will allow the payments to be made with this methodology at significant cost savings. Commissioner Strickland said that he is thankful that the landowners will not have to make these payments. Chairman Bridges said that this was everyone working together. Mr. Tritt said that Mrs. Thomas made the County shine. Chairman Bridges thanked Mr. Tritt for his comment.

Chairman Bridges asked for a motion to adjourn. Commissioner Jacques made the motion to adjourn. Commissioner Strickland seconded the motion. Chairman Bridges asked for a show of hands. The motion passed by five (5) YES votes to zero (0) NO votes. The YES votes were Commissioner Franklin; Commissioner Strickland; Chairman Bridges; Commissioner Jacques; and Commissioner Wester. The meeting adjourned at 6:23 p.m.

Signed on the _____ day of _____, 2016

Chairman J. Thomas Bridges

Robert L. Franklin, District 1 Commissioner

David R. Strickland, District 2 Commissioner

Jeff Jacques, District 3 Commissioner

Eddie Wester, District 4 Commissioner

Elaine H. Evans, County Clerk