

March 27, 2008

**CALLED MEETING
FLOYD COUNTY BOARD OF COMMISSIONERS
March 27, 2008 7:00 A.M.**

PRESENT: Chairman Jerry Jennings, Commissioners Garry Fricks, and Chad Whitefield.

OTHERS

PRESENT: County Attorney Tommy Manning, County Clerk Kathy Arp, Gary Burkhalter, Comptroller/Finance Director, and Bryan Huskey, Merchant Capital.

ABSENT: Commissioners John Mayes and Eddie Lumsden, County Manager Kevin Poe, and Assistant Manager Blaine Williams.

CALL TO ORDER: Chairman Jennings called the meeting to order.

**RESOLUTION RE: INTERGOVERNMENTAL LEASE BETWEEN
FLOYD COUNTY AND ROME-FLOYD COUNTY DEVELOPMENT
AUTHORITY TO AUTHORIZE AND APPROVE A PRELIMINARY
OFFICIAL STATEMENT AND OFFICIAL STATEMENT IN
CONNECTION WITH THE ISSUANCE OF BONDS FOR THE
PARKING DECK PROJECT AND TO AUTHORIZE EXECUTION
OF A CONTINUING DISCLOSURE CERTIFICATE AND FOR
OTHER PURPOSES:**

Chairman Jennings called for a motion regarding the Resolution on the Intergovernmental Lease between Floyd County and Rome-Floyd County Development Authority and to authorize and approve a preliminary official statement and official statement in connection with the issuance of bonds for the parking deck project, and to authorize execution of a continuing disclosure certificate and for other purposes.

Commissioner Whitefield made a MOTION to adopt the Resolution and execute all documents as presented. SECOND by Commissioner Fricks.

Discussion: County Attorney Manning stated the Resolution authorizes the execution and delivery of an Intergovernmental Lease between Floyd County and the Rome-Floyd County Development Authority that in essence ensures that the county is backing the bonds issued by the Rome-Floyd County Development Authority concerning the parking deck next to The Forum. He stated they also have in this document an authorization by the county to execute the bond purchase agreement that is a part of that transaction, and to approve and execute the preliminary official statement and official statement that have been generated in connection with this bond issuance. He stated the resolution also authorizes the execution and delivery of continuing disclosure certificates that are required to be filed annually in connection with the bond transaction.

Commissioner Fricks asked do they back the full amount of the full parking deck. County Attorney Manning stated yes. Commissioner Fricks asked so it is not sharing anything. County Attorney Manning stated no, what they have that is supposed to be a part of the validation process, and they have not passed yet, is an agreement where the city would pledge to be responsible for one-half of any obligation that the county might have in connection with this. He stated the formal backing of the bonds with the bond holders is by the county, but there is a separate agreement that is to be executed where the city, even though they are not formally obligated to the bond holders, would be pledging to be responsible for one-half of any obligation.

Commissioner Fricks asked what does this do to our future bond capacities. Bryan Huskey, Merchant Capital, stated as part of the overall bond process they went and spoke with the rating agencies in New York and sort of got them up to speed on what is going on with the county as well as this bond issue itself. He stated they reviewed the county. He stated the county currently has a AA3 rating, they affirmed that rating, and ultimately felt comfortable with their debt plans as it exists now and any contemplated plans, which upon understanding is there is fairly minimal debt plans going forward. He stated they really felt that the county has continued on the right track, and basically affirmed that they thought the AA3 rating was appropriate for this rating at this time. He stated he thinks in relation to the bonding plans going forward they were looking at one point doing the one mill title-backed obligation, but he knows that there is a lot of economic development work that the county wants to try to undertake going forward, so they try to preserve that. He stated so they provided that the backing for this series would be the full county obligation with the county being reimbursed from the city one-half of the debt service. Commissioner Fricks stated he knows they did the hospital bonds that way. He stated they have done a lot of backing of bonds that are not issued to the county specifically.

Gary Burkhalter, Comptroller/Finance Director, stated our outstanding debt is very small when you take this piece, they did the airport debt, and the largest majority is the hospital. He stated we have a little less than \$84 million of outstanding debt, but almost \$72 million of that is for the hospital. Commissioner Fricks stated this is where his concern is. We are accepting guarantors as debt for such large amounts, but we are actually creating direct debt to the county very little. He stated he knows when the hospital bonds were issued they talked about the liability on that. He stated he thinks it covered six years once they proved the fact that they had the ability to cover the debt, or showed a good pattern of payment, where it basically came off of the county a little bit. He stated it always stayed on the radar screen, but it came off of them a little bit on that. Mr. Huskey stated in this current analysis by Moody's when they are looking at the hospital debt, they typically will look back, as Commissioner Fricks indicated, on a historical basis. He stated if it is a hospital authority, and this is not the case for Floyd County, but a water and sewer authority or any of those type authorities that are backed by the county in essence, they look back to see if it is truly self supporting. He stated they looked at the hospital authority debt as self supporting, and in essence back that one out of the debt ratios as it relates to the county, so that they did not count that and penalize the county for that debt. Commissioner Fricks stated usually backing by a projected increase in their millage, he asked does that millage

pile up. Mr. Burkhalter stated it is very small. Commissioner Fricks stated they have \$2.7 million with the hospital, and he knows they have that \$2 million with the Development Authority. Mr. Burkhalter stated they have \$2 million with the Development Authority, they have \$2.4 million on the Airport, and then they have this \$8 million. He stated those are the three pieces of the intergovernmental debt that they have outside of the hospital authority. Commissioner Fricks stated he knew the county did not have much debt. Mr. Burkhalter stated the only thing they have on the other side is the GO bonds for the SPLOST that are being paid back by SPLOST proceeds. VOTING:

YES NO

Commissioner Fricks
" Whitefield
Chairman Jennings

Motion Carried

ADJOURNMENT:

There being no further business to come before the Board, MOTION was made by Commissioner Whitefield, SECOND by Commissioner Fricks, that the meeting be adjourned. VOTING:

YES NO

Commissioner Fricks
" Whitefield
Chairman Jennings

Motion Carried

**FLOYD COUNTY BOARD OF
COMMISSIONERS**

JERRY JENNINGS, CHAIRMAN