Public Facilities Authority of Coweta County

Regular Meeting Session

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Shannon Zerangue
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Wednesday, September 1, 2021 | **11:00 AM** | **Commission Chambers**

~ Minutes ~

PUBLIC FACILITIES AUTHORITY OF COWETA COUNTY

Call to Order

Attendee Name	Title	Status	Arrived
Ted Meeker	Chairman	Present	
Cynthia Bennett	Vice-Chairman	Present	
Don Phillips	Treasurer	Present	
Kelvin Thompson	Authority Member	Present	
David Fowler	Authority Member	Present	
Jerry Ann Conner	Attorney	Present	
Michael Fouts	County Administrator	Present	
Eddie Whitlock	Associate County Administrator	Absent	
Kelly Mickle	Assistant County Administrator	Absent	
Shannon Zerangue	Secretary	Present	

The Coweta County Public Facilities Authority met in Regular Session on Wednesday, September 1, 2021.

Chairman Meeker called the meeting to order at 11:00 a.m.

REGULAR SESSION

APPROVAL OF THE MINUTES

1. **Minutes of Wednesday, August 04, 2021**

The Authority voted to approve the minutes from the inaugural meeting held on August 4, 2021.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Cynthia Bennett, Vice-Chairman
SECONDER:	Kelvin Thompson, Authority Member
AYES:	Meeker, Bennett, Phillips, Thompson, Fowler

UNFINISHED BUSINESS

2. 10400 Request Adoption of the Bylaws for the Public Facilities Authority of Coweta County

Chairman Meeker explained that following the Inaugural meeting of the Authority, Bylaws have been prepared for consideration by the Authority. He asked if there were any questions or comments, and Attorney Conner explained that the only change that has occurred since the draft was sent to the Authority members for review is the correction of one (1) typo.

The Authority voted to execute a Resolution to Adopt the Bylaws of the Coweta County Public Facilities Authority.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Don Phillips, Treasurer
SECONDER:	David Fowler, Authority Member
AYES:	Meeker, Bennett, Phillips, Thompson, Fowler

NEW BUSINESS

3. 12486 Request Approval/Execution of a Resolution to Adopt a Conflicts of Interest Policy

In response to a question from Authority member Bennett, Attorney Conner explained that political activities would not be considered an "adverse affect on the Authority or activities of the Authority" in accordance with Section 2(b) of the Conflicts of Interest Policy that is before the Authority for consideration.

The Authority voted to execute a Resolution to Adopt a Conflicts of Interest Policy.

RESULT:	**EXECUTED [UNANIMOUS]**
MOVER:	David Fowler, Authority Member
SECONDER:	Cynthia Bennett, Vice-Chairman
AYES:	Meeker, Bennett, Phillips, Thompson, Fowler

4. 12490 Request Approval/Execution of a Letter of Engagement for Underwriter Services

County Administrator Fouts explained that staff is requesting that the Authority execute a non-binding engagement letter with Stifel (fka Merchant Capital). The purpose of the letter is to allow Stifel to provide financial modeling for projects and underwriting services associated with the issuance of any future revenue bonds.

Bond Counsel Roger Murray (Murray Barnes Finister, LLP) explained that the engagement letter is non-binding, no funds are associated with it, the Authority may terminate the services at any time, and it is required by the Municipal Securities Rulemaking Board (MSRB) Rule G-17.

In response to a question from Authority member Phillips, Attorney Murray explained that Stifel will only assess fees for their services when bonds are actually issued. Further, there is a standard range of fees associated with the underwriting services.

The Authority voted to execute a non-binding engagement letter with Stifel to provider underwriter services associated with issuance of any future revenue bonds.

RESULT:	**EXECUTED [UNANIMOUS]**
MOVER:	Cynthia Bennett, Vice-Chairman
SECONDER:	Don Phillips, Treasurer
AYES:	Meeker, Bennett, Phillips, Thompson, Fowler

COMMENTS AND PRESENTATIONS

Liability Policy for the Public Facilities Authority

Chairman Meeker explained that he received confirmation that the Public Facilities Authority has been added to Coweta County's liability insurance policy in the case of errors or omissions.

Sample Case Study

It was the consensus of the Authority to ask Attorney Murray to proceed with presentation of a sample case study.

Attorney Murray provided the following as a sample case study regarding how the Public Facilities Authority functions:

1. The County will assess its capital needs and the potential sources of funding.
2. If the County determines that a capital project should be funded by the issuance of the Authority's bonds, the County will provide the Authority with a project financing request. The request will include a general description of the project, the estimated cost of the project, and the source(s) of funds that the County will use to make payments to the Authority (e.g., General Fund, SPLOST, user fees, etc.).
3. The County will select the professionals needed to assist with the financing (underwriter/placement agent/financial advisor, bond counsel/disclosure counsel, etc.).
4. The County, together with the professionals, will determine if the bonds issued by the Authority to fund the project will be sold in a public marketing or a private placement.
5. If the bonds will be sold in a private placement, the County and the Authority will proceed as follows:

- The County and the placement agent/financial advisor will prepare and circulate a request for proposal to local, regional, and national banks.
- Bond counsel will prepare the financing documents with the assistance of the Authority's counsel and the County's counsel.
- Bids will be opened by the County, and the County will award the bid.
- The final terms will be inserted into the financing documents.
- The Authority will adopt a resolution authorizing the issuance of the bonds and the execution of the related documents, including an intergovernmental agreement with the County.
- The County will adopt a resolution authorizing the execution of the intergovernmental agreement with the Authority.
- Authority counsel will file the validation proceedings in court, file the answers, and obtain the order validating the bonds.
- Bond counsel will prepare the closing certificates and opinions with the assistance of the Authority's counsel and the County's counsel.
- All documents, certificates, and opinions will be executed and delivered.
- The bonds will be issued, and the purchaser will pay for them.
- Bond proceeds will either be (a) held by a custodian and requisitioned from the custodian by the County as needed or (b) remitted directly to the County at the closing.
- The County will be responsible for investing the bond proceeds and ensuring that they are spent for costs of the project.
- The County will own and operate the project.

6. If the bonds will be sold in a public marketing, the County and the Authority will proceed as follows:

- The County, the underwriter and the bond/disclosure counsel will prepare the prospectus for the bonds (the "Official Statement").
- Bond counsel will prepare the financing documents with the assistance of the Authority's counsel and the County's counsel.
- The underwriter will submit the financing documents, the Official Statement, and certain other materials to a rating agency.
- The underwriter and bond/disclosure counsel will conduct the due diligence inquiry to ensure that the Official Statement does not contain any material misstatements or omissions.
- The rating agency will assign a rating to the bonds.
- The Official Statement will be printed and circulated to potential investors without interest rates (typically

referred to as the "Preliminary Official Statement" at this point).

- The potential investors will indicate their interest in the bonds and the underwriter will set the interest rates/prices for the bonds.
- The final terms will be inserted into the financing documents.
- The Authority will adopt a resolution authorizing the issuance of the bonds and execution of the related documents, including an intergovernmental agreement with the County.
- The County will adopt a resolution authorizing the execution of the intergovernmental agreement with the Authority.
- Authority counsel will file the validation proceedings in court, file the answers, and obtain the order validating the bonds.
- Bond counsel will prepare the closing certificates and opinions with the assistance of the Authority's counsel and the County's counsel.
- All documents, certificates, and opinions will be executed and delivered.
- The bonds will be issued, and the purchaser will pay for them.
- Bond proceeds will either be (a) held by a custodian and requisitioned from the custodian by the County as needed or (b) remitted directly to the County at the closing.
- The County will be responsible for investing the bond proceeds and ensuring that they are spent for the costs of the project.
- The County will own and operate the project.

During Attorney Murray's presentation, Administrator Fouts explained that the County's current credit rating is Aa2 on Moody's rating scale.

In response to a question from Authority member Phillips, Attorney Murray explained that the time frame for public marketing of bonds from start to finish is approximately ninety (90) days and approximately sixty (60) days for private placement.

Administrator Fouts and Attorney Murray explained that the Authority is required to meet once annually; however, Called Meetings may be necessary to align with meetings of the Board of Commissioners as requests for the issuance of bonds proceeds.

Authority member Fowler explained that he would still like to see a "real life example" of a project from another Public Facility Authority because he believes it will enable the Authority to explain the procedure to customers. He also questioned how the municipalities and the Board of Education will be notified that the Public Facilities Authority has been enacted and how it may be able to assist them with projects.

Attorney Murray and Administrator Fouts explained that they will be happy to work on marketing material(s) for the Authority to review and consider at its next meeting (November 3, 2021).

In response to a question from Authority member Phillips regarding the procedure for municipalities and/or the Board of Education to bring forth requests to fund projects with revenue bonds, Attorney Murray explained that they would need to approach the Board of Commissioners first. He further explained that he will be happy to include instructions regarding that process in the marketing material(s).

In response to a question from Authority member Bennett about using the Newnan-Coweta County Airport Authority's recent request to issue revenue bonds for a project, Attorney Murray explained that the Airport Authority is slightly different because they also have the authority to issue bonds.

In response to a question from Authority member Phillips, Attorney Murray explained that it is difficult to determine how many requests the Authority may have to consider. He further explained that the County has had very few requests to issue bonds in the past because it has very little to no debt.

Authority member Meeker stated that the City of Newnan may be interested in reissuing their water and light bonds.

Authority member Fowler recommended attending one of the regularly scheduled meetings of the various municipalities and the Board of Education as a means of outreach.

Administrator Fouts introduced Coweta County Facilities Director Mike Johnson and asked him to provide a brief update on a Jail expansion project because it may potentially be a project that the County would request financing through the issuance of revenue bonds.

Mr. Johnson explained that the County is currently working with the architect (Kip Oldham/K. A. Oldham Design) on the design and engineering phase for expansion of the Coweta County Jail (Greison Trail). The expansion will be an annex to the existing facility, but all infrastructure will be separate. Staff anticipates that the bid will let in January 2022.

Administrator Fouts explained that staff is also examining whether American Rescue Plan Act (ARPA) funds can be utilized toward funding the project.

Chairman Meeker called for any further questions or comments. There were none.

ADJOURNMENT

Motion To: **Adjourn**

The Authority voted to adjourn the meeting.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Don Phillips, Treasurer
SECONDER:	Cynthia Bennett, Vice-Chairman
AYES:	Meeker, Bennett, Phillips, Thompson, Fowler