

MINUTES
BOARD OF COMMISSIONERS SPECIAL CALLED MEETING
MARION COUNTY, GEORGIA
VIA VIDEO and TELECONFERENCE DUE TO COVID-19 RESTRICTIONS
June 18, 2020 – 6:30 PM

PRESENT: Those present on the video call (ZOOM meeting ID 916 8957 6889) were Chairman George Neal, Commissioner Steve Young, Commissioner Jody Grimsley, Commissioner Matthew Gunnels, Commissioner Norman Royal, County Manager Justin Strickland and County Clerk Sylvia Russell. Brian Huskey of Stifel and Roger Murray of Murray Barnes Finister LLP.

CALL TO ORDER: Chairman Neal called the meeting to order at 6:36 PM.

DISCUSSION:

a. Water Bond Refunding – Resolution

The group noted that they initially hoped for a 2.5% interest rate. Bryan Huskey of Stifel, Nicolaus & Company noted they talked to Farmers Bank and got their lowest rate offer to 3.55%. Ameris' lowest rate is 3.75%. Whether we pick Farmers or Ameris, he recommended the County do this as it will save a substantial amount for the Water Fund.

Chairman Neal asked Mr. Huskey to talk about what happened with the market and why the offers we anticipated did not come through. Mr. Huskey stated that in the current climate (COVID-19 crisis/pandemic) most financial institutions have been tightening down on their terms (credit quality, lowering to 15 years) and on their credit limit as well. A lot of fundamentals have changed in the marketplace. We had 3 lower offers from institutions when discussions first started but as they reviewed the Water Fund and 5-year historical financials there was concern, especially in 2017 when cash flow was reviewed and rates were raised.

Commissioner Royal stated he noticed we went back to Farmers and asked them to reconsider the interest rate. He asked if we did the same for Ameris. Mr. Huskey said no, the only term sheet received by the deadline of 11:00 AM was from Farmers. They proceeded with discussions and got them to change their schedule and rate. The term sheet from Ameris was not received until 12:45 PM (1.5 hours after the deadline). County Manager Strickland mentioned his experience is that negotiations only occur with the low bidder.

Commissioner Royal asked if everyone received the bid offer at the same time. Mr. Huskey said everyone except Farmers received the bid at the same time. Farmers received it a couple of days later.

Commissioner Grimsley asked if this process will free up the reserve funds currently on account. County Manager Strickland replied that it will not. The way this is structured, those reserves go towards reducing the debt being financed.

Chairman Neal asked if the repayment term was the same. Mr. Huskey noted the new offer is decreasing term by 13 years.

Chairman Young made a motion to adopt the bond resolution as presented. Commissioner Grimsley seconded the motion. Commissioner Royal voted against adopting the motion. The motion passed with a 3 to 1 vote.

Next steps were outlined. Mr. Jernigan will coordinate with Bond Counsel Roger Murray to complete the process.

Commissioner Royal commented to the group that we (the Commission) talk a lot about keeping our business local. If we had pushed the effort harder, he believed we could have gotten the local bank to adjust their rate as well. When they brought us a rate of 2.8%, we could have negotiated with them directly, but we didn't do that. We need to really think about some of the moves we make. We need to keep our business local and keep our citizens employed.

Commissioner Young offered that he would much rather see Ameris get the bid, but it would be illegal for us not to take the lowest bidder. Mr. Murray stated that when there is a formal bid process and you don't accept the lowest bidder, the County could open itself for lawsuits. In the future if you want to stay local, avoid doing a bid and negotiate hard with the local provider.

ADJOURNMENT:

Commissioner Gunnels made a motion to adjourn the meeting at 6:58 PM. The motion was seconded by Commissioner Royal and the motion carried unanimously.