

A CALLED MEETING

GEORGIA STATE FINANCING AND INVESTMENT COMMISSION

October 1, 2014

The Georgia State Financing and Investment Commission held its Called Meeting in the Office of the Governor, Room Number 107 of the State Capitol, Atlanta, Georgia. The following Members of the Commission were present: Governor Nathan Deal, Chairman and Chief Executive Officer, presiding; Lt. Governor Casey Cagle, Vice Chairman; State Auditor Greg Griffin, Secretary and Treasurer; Attorney General Sam Olens; Commissioner of Agriculture Gary W. Black; and State Treasurer Steve McCoy. In addition to the above Members, the following persons were present: Teresa MacCartney, Chief Financial Officer for the Office of the Governor and Director of the Office of Planning and Budget; Terry Chastain General Counsel of the Georgia House of Representatives; Henrietta Turnquest; Porter Bingham; Ron Nawrocki, Mike Kooi and Rick Dunn of the Office of Planning and Budget; Ben Fry, Director of Communications and External Affairs for the Lt. Governor's Office; Wright Banks and Lisa Javorka of the Attorney General's Office; Woody Vaughan of Holland and Knight LLP, Bond Counsel; Michael Rowland, Georgia Department of Education; Alan Cardin of the Department of Behavioral Health and Developmental Disabilities; Director Diana Pope, Lee McElhannon, Mary Garver, Junier Perez and Kelly Zurbrugg of the Financing and Investment Division of the Commission; Paul Melvin and April King of the Construction Division of the Commission; Steven L. Stancil, Construction Division Director and Executive Secretary of the Commission; and others.

CALL TO ORDER AND MINUTES OF PREVIOUS MEETING

2. Chairman and Chief Executive Officer Governor Nathan Deal called the meeting to order at approximately 9:35 A.M. It was noted that a quorum was present. Each member present was provided with a Board Book. The minutes of the previous Commission meeting held on June 18, 2014 were approved without reading pursuant to an announcement that distribution of the minutes were provided to all members of the Commission prior to the current meeting. Lieutenant Governor Casey Cagle made a motion to approve the minutes, seconded by Commissioner of Agriculture Gary W. Black and passed unanimously and approved by

all members.

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REQUEST OF THE FINANCING AND INVESTMENT DIVISION OF THE GEORGIA STATE FINANCING AND INVESTMENT COMMISSION SEEKING APPROVAL BY RESOLUTION OF THE EXTENSION OF THE TERMS FOR THE 2011G FLOATING RATE NOTES.

3. Chairman and Chief Executive Officer Governor Nathan Deal called on Diana Pope to present the request on behalf of the Financing and Investment Division of the Georgia State Financing and Investment Commission.

4. Ms. Pope reminded the members that the State's only outstanding variable rate bonds, the 2011G Floating Rate Notes, has a mandatory tender on December 1, 2014. She explained that Wells Capital Management as the investment advisor for the holders of 100% of the 2011G bonds has proposed to extend the initial bank mode put date from December 1, 2014 to December 1, 2017 at terms that maintain the interest rate index at the existing spread of 40 basis points. Ms. Pope stated that this is a favorable offer. Ms. Pope is seeking the Commission's approval of the terms submitted by Wells Capital and the execution of the First Supplement to the Bond Indenture for the 2011G bonds.

5. With no further discussion a motion was made by Lieutenant Governor Casey Cagle; Attorney General Sam Olens seconded and the motion passed unanimously by all members present. The Commission adopted the following resolution in regards to the approval of the extension of the terms for the 2011G floating rate notes.

NOTE: The resolution prepared by Counsel is incorporated herein by reference and made a part hereof. A copy of the resolution and a copy of the documents referred to in the resolution under the date of October 1, 2014, for the purpose of identification and have been filed in the Official Documents Register under File No. ODR 10X01-01/14

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REQUEST OF THE GEORGIA DEPARTMENT OF EDUCATION SEEKING APPROVAL BY RESOLUTION FOR THE ALLOCATION OF \$4.5 MILLION OF QUALIFIED ZONE ACADEMY BONDS TO MITCHELL COUNTY BOARD OF EDUCATION.

6. Chairman and Chief Executive Officer Governor Nathan Deal called on Michael Rowland to present the request on behalf of the Georgia Department of Education. Mr. Rowland explained that the State

Board of Education is requesting approval to allocate \$4.5 million in QZAB funding to Mitchell County Board of Education to renovate their vocational wing to support a career academy. He informed the Commission that the State Board approved the allocation to Mitchell County on September 24, 2014.

7. Mr. Rowland stated that a total of \$14.6 million of Qualified Zone Academy Bond funding was allocated to the State in 2013. He noted that currently, the State Board of Education has not received any other applications for Qualified Zone Academy Bond funding. He also noted that any unused portions of the 2013 allocations will expire on January 1, 2016.

8. Mr. Rowland informed the Commission that the bonds will not be state debt. The bonds will be issued by the locality and that Mitchell County benefits from having to pay essentially no interest on Qualified Zone Academy Bonds.

9. With no further discussion a motion was made by Commissioner Gary Black, seconded by Attorney General Sam Olens and passed unanimously by all members present. The Commission adopted the following resolution in regards to the approval of allocating \$4.5 Million of Qualified Zone Academy Bonds to Mitchell County Board of Education.

NOTE: The resolution prepared by Counsel is incorporated herein by reference and made a part hereof. A copy of the resolution and a copy of the documents referred to in the resolution under the date of October 1, 2014, for the purpose of identification and have been filed in the Official Documents Register under File No. ODR 10X01-02/14

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REQUEST OF THE GOVERNOR'S OFFICE OF PLANNING AND BUDGET TO APPROVE BY RESOLUTION REQUESTS TO REDIRECT BOND PROCEEDS FOR THE DEPARTMENT OF BEHAVIORAL HEALTH AND DEVELOPMENTAL DISABILITIES.

10. Chairman and Chief Executive Officer Governor Nathan Deal called on Diana Pope to present the request on behalf of the Office of Planning and Budget. Ms. Pope informed the Commission that there is one redirect request of \$250,000 or greater that is consistent with the redirection policy adopted by the Commission on October 4, 2012. The Office of Planning and Budget has reviewed the requests and found the circumstances for these redirections to be justified and appropriate.

11. Ms. Pope explained that the Department of Behavioral Health and Development Disabilities is seeking approval to redirect approximately \$461,000 to purchase emergency generators for the campuses of East Central Regional Hospital. Ms. Pope noted that this redirect will close out three projects. Ms. Pope informed the Commission that a summary of the request and the resolution is found behind the "DBHDD Redirect" tab.

12. With no further discussion a motion was made by Attorney General Sam Olens, seconded by Commissioner Gary Black and passed unanimously by all members present. The Commission adopted the following resolution in regards to the approval of this redirection for the Department of Behavioral Health and Development Disabilities

NOTE: The resolution prepared by Counsel is incorporated herein by reference and made a part hereof. A copy of the resolution and a copy of the documents referred to in the resolution under the date of October 1, 2014, for the purpose of identification and have been filed in the Official Documents Register under File No. ODR 10X01-03/14

INFORMATION ITEM: PRESENTATION TO THE COMMISSION OF REDIRECTION TRANSACTIONS THAT ARE LESS THAN \$250,000 (SINCE JUNE 18, 2014)

13. Ms. Pope also asked the Commission to review the summary for redirect items less than \$250,000 that were approved by OPB and GSFIC staff since the last June 18, 2014 Commission Meeting. There were no questions.

REQUEST OF THE GEORGIA STATE FINANCING AND INVESTMENT COMMISSION TO PRESENT THE FOLLOWING ITEMS FOR INFORMATIONAL PURPOSES ONLY:

14. Chairman and Chief Executive Officer Governor Nathan Deal called on Diana Pope to present the request on behalf of the Georgia State Financing and Investment Commission (GSFIC). Ms. Pope noted that all documents are also on the Commission's eBoard system. Ms. Pope noted that all reports are provided as informational and that she and Steve Stancil will be happy to address any questions

FISCAL YEAR 2014 FINANCIAL STATEMENT AUDIT

15. Ms. Pope informed the Commission that all members were provided a copy of GSFIC's Fiscal Year 2014 financial statement audit and reported that GSFIC received a clean opinion with no findings.

FISCAL YEAR 2014 ANNUAL REPORT

16. Ms. Pope shared that the FY2014 Annual Report highlights the great job all at GSFIC do for the state, including managing over 120 projects and completing 17 projects during the fiscal year.

FISCAL YEAR 2014 ANNUAL SPEND DOWN REPORT

17. Ms. Pope noted that each member was provided with a copy of the Annual Spend Down report, which shows that all bonds which reached a critical milestone date during the fiscal year met the federal spend down requirements.

NEW BUSINESS

18. Chairman and Chief Executive Officer Governor Nathan Deal asked if there was any new business that needed to be brought before the Commission. Ms. Henrietta Turnquest, former State Representative for Georgia requested the opportunity to address the Governor and the Commission. Ms. Turnquest wanted to bring to the Commission's attention that qualified African American firms were not getting business through the Commission, and noted that one of the biggest obstacles is that firms are required to have experience when applying to do finance business in the state of Georgia. Although basic contracting obligations are not micro-managed by the Commission, Chairman and Chief Executive Officer Governor asked Ms. Pope, Director of the Finance Division and her staff to be in touch with Ms. Turnquest, and that the Commission will be glad to address concerns and action items. Steven L. Stancil, Construction Division Director and Executive Secretary of the Commission commented that his Procurement Department would also be happy to meet with Ms. Turnquest regarding this matter.

19. Chairman and Chief Executive Officer Governor thanked Ms. Turnquest for her comment and asked if there were any other comments or questions that needed to be brought before the Commission. State Attorney Sam Olens commented on what a pleasure it has been to work with Frank Perry and his staff at

Department of Behavioral Health and Development Disabilities. Chairman and Chief Executive Officer Governor agreed and stated that Mr. Perry and his staff are doing an excellent job.

ADJOURNMENT

21. With no further business and upon a motion made by Attorney General Sam Olens, seconded by Lieutenant Governor Casey Cagle and unanimously adopted, the Chairman and Chief Executive Officer declared the meeting adjourned at approximately 9:49 A.M.



STEVEN L. STANCIL, EXECUTIVE SECRETARY



GOVERNOR