

A CALLED MEETING

GEORGIA STATE FINANCING AND INVESTMENT COMMISSION

February 25, 2015

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 were present: Governor Nathan Deal, Chairman and Chief Executive Officer, presiding; State Auditor Greg Griffin, Secretary and Treasurer; Speaker David Ralston; Agriculture Commissioner Gary 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; Chris Riley, Chief of Staff for the Office for the Governor; Ron Nawrocki, Matt Ogles, Kerri Wilson, and Heather Aquino of the Office of Planning and Budget; Spiro Amburn, Chief of Staff for the Speaker of the House; Wright Banks, and Lisa Javoroka of the Attorney General's Office; Commissioner Russell McCurry and Nancy Cobb of the Department of Transportation; Kevin Clark, Executive Director of the Georgia Environmental Finance Authority; Greg Dozier of the Department of Corrections; Becky East, the Department of Revenue; Sara Honeywell of the Technical College System of Georgia; Ragen Marsh, Georgia Lobbyist; Woody Vaughn of Holland and Knight LLP, Bond Counsel; Frank Smith, Deputy Executive Director of the State Properties Commission; Diana Pope, Lee McElhannon, Mary Garver, Junier Perez, and Kelly Zurbrugg of the Financing and Investment Division of the Commission; Deputy State Properties Officer Marvin Woodward and Paul Melvin of the Construction Division of the Commission; Steven L. Stancil, State Property Officer and 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 8:35 A.M. It was noted that a quorum was present. Each member present was provided with a Board Book, and copies of all documents had been placed on the Commission's eBoard system. The minutes of the previous Commission meeting held on October 1, 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. State Treasurer Steve McCoy made a motion to approve the minutes; State Auditor Greg Griffin seconded the motion. A vote was taken and the motion passed unanimously.

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REQUEST OF THE GEORGIA ENVIRONMENTAL FINANCE AUTHORITY SEEKING APPROVAL BY RESOLUTION FOR THE REALLOCATION OF QUALIFIED ENERGY CONSERVATION BOND VOLUME CAP TO THE BRUNSWICK AND GLYNN COUNTY DEVELOPMENT AUTHORITY.

3. Chairman and Chief Executive Officer Governor Nathan Deal called on Diana Pope to present the request on behalf of Georgia Environmental Finance Authority ("GEFA").

4. Ms. Pope stated that in 2009, the Commission designated the Georgia Environmental Finance Authority to be the leading agency for coordinating the state's role in the Qualified Energy Conservation Bond, or QECCB, allocation process. She explained that \$13.5 million of state allocation was made available to local governments, in which GEFA received one application – a request of \$7,170,000 by the Brunswick and Glynn County Development Authority for energy conservation improvements at 28 buildings owned and operated by Glynn County.

5. Ms. Pope said that GEFA is requesting the Commission's approval for this allocation to the Brunswick and Glynn County Development Authority. Ms. Pope stated that if approved, the state will have \$32.3 million remaining in QECCB allocation. Ms. Pope noted that the federal authorization for issuance of QECCB bonds does not have an expiration date. She also noted that the bonds to be issued by the Brunswick and Glynn County Development Authority are not state debt. Ms. Pope informed the

Commission that Kevin Clark, the executive director of GEFA, is present at the meeting, if the members have any questions for him.

6. With no further discussion, a motion to approve the request from the Georgia Environmental Finance Authority was made by Agriculture Commissioner Gary Black, seconded by State Treasurer Steve McCoy, and passed unanimously by all members present.

NOTE: The resolution prepared by Counsel and Bond Counsel are incorporated herein by reference and made a part hereof. A Copy of the resolution and copies of the documents referred to in the resolution under the date of February 25, 2015, for the purpose of identification, have been filed in the Official Documents Register under File No. ODR 02X25-1/15.

REQUEST OF THE GEORGIA HIGHER EDUCATION FACILITIES AUTHORITY SEEKING APPROVAL BY RESOLUTION OF THE (1) SALE AND ISSUANCE OF 2015 REVENUE REFUNDING BONDS WITH RESPECT TO THE SERIES 2008 REVENUE BONDS OF THE AUTHORITY FOR THE PURPOSE OF ACHIEVING ECONOMIC SAVINGS; (2) TO WAIVE CERTAIN REQUIREMENTS OF THE GEORGIA STATE FINANCING AND INVESTMENT COMMISSION'S POLICY REGARDING ISSUANCE OF BONDS BY STATE AUTHORITIES; (3) TO APPROVE THE FORM AND RELEASE OF A REQUEST FOR PROPOSALS ("RFP") FOR UNDERWRITERS TO ASSIST IN THE NEGOTIATED SALE OF THE 2015 REFUNDING BONDS; AND (4) TO AUTHORIZE A RFP COMMITTEE TO REVIEW THE RESPONSES AND SELECT THE UNDERWRITING TEAM FOR THE 2015 REFUNDING BONDS.

7. Chairman and Chief Executive Officer Governor Nathan Deal called on Diana Pope to present the request on behalf of the Georgia Higher Education Facilities Authority ("GHEFA").

8. Ms. Pope informed the Commission that the Georgia Higher Education Facilities Authority issued revenue bonds in 2008, which provided \$99.8 million for revenue-generating projects at seven campuses. Based on current market rates, a refunding of those outstanding bonds is expected to provide debt service savings, currently estimated at a 10% net present value savings. She added that the refunding will not include outstanding bonds sold for the Georgia State University freshman housing project as those bonds are expected to be defeased through the Board of Regents' Phase I Housing P3 Initiative.

9. Ms. Pope requested the Commission's approval for the issuance of the refunding bonds. Ms. Pope added that these bonds are not considered state debt, as the security for the bonds is based on

the Board of Regents' rental agreements for these projects. In order to issue the bonds, the Authority also seeks approval to (1) waive GSFIC policy on requiring a double A rating so that the bonds can be issued with a single A rating; (2) release an RFP for underwriter proposals; (3) create an RFP Committee to include Members Greg Griffin and Steve McCoy; (4) and authorize the RFP Committee to approve the selection of the underwriting team based on responses received. Ms. Pope noted that the Authority hopes to close on the refunding bonds in May. The Commission will not need to meet again, but the Authority will need to meet to approve the final sale of the refunding bonds. If rates move such that desired savings cannot be achieved, the refunding will be postponed or cancelled.

10. Chairman and Chief Executive Officer Governor Nathan Deal summarized the requests to be approved. With no further discussion, a motion to approve the requests from Georgia Higher Education Facilities Authority was made by State Auditor Greg Griffin, seconded by Speaker David Ralston, and passed unanimously by all members present.

NOTE: The resolution prepared by Counsel and Bond Counsel are incorporated herein by reference and made a part hereof. A Copy of the resolution and copies of the documents referred to in the resolution under the date of February 25, 2015, for the purpose of identification, have been filed in the Official Documents Register under File No. ODR 02X25-2/15.

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REQUEST OF THE STATE PROPERTIES COMMISSION SEEKING APPROVAL BY RESOLUTION FOR FISCAL YEAR 2016 CONTRACT VALUE AUTHORITY FOR MULTI-YEAR LEASES

11. Chairman and Chief Executive Officer Governor Nathan Deal called on State Property Officer Steve Stancil to present the request on behalf of the State Properties Commission ("SPC"). Mr. Stancil informed the Commission that this is SPC's annual request for contract value authorization for multiyear leasing; SPC is seeking approval for \$200 million for FY 2016. SPC has completed eight multiyear leasing contracts, resulting in cost avoidance of approximately \$10 million. SPC is reviewing seventeen leases and continues to look for opportunities to save money for the state.

12. With no further discussion, a motion to approve the request from the State Properties Commission was made by Agriculture Commissioner Gary Black, seconded by Speaker Ralston, and

passed unanimously.

NOTE: The resolution prepared by Counsel and Bond Counsel are incorporated herein by reference and made a part hereof. A Copy of the resolution and copies of the documents referred to in the resolution under the date of February 25, 2015, for the purpose of identification, have been filed in the Official Documents Register under File No. ODR 02X25-3/15.

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REQUEST OF THE GOVERNOR'S OFFICE OF PLANNING AND BUDGET TO APPROVE BY RESOLUTION REQUESTS TO REDIRECT BOND PROCEEDS FOR: (1) TECHNICAL COLLEGE SYSTEM OF GEORGIA, (2) DEPARTMENT OF REVENUE, (3) DEPARTMENT OF CORRECTIONS, AND (4) DEPARTMENT OF TRANSPORTATION

13. Chairman and Chief Executive Officer Governor Nathan Deal called on Diana Pope to present the requests on behalf of the Governor's Office of Planning and Budget ("OPB").

14. Ms. Pope explained that the Technical College System of Georgia (TCSG) is requesting a total redirection of \$2.4 million from various projects that are completed, or are near completion. Last fall, TCSG developed its High Priority – MRR (major repairs and renovations) program, which allocated just over \$4 million across 23 colleges based on system-wide condition assessment project data. The three focus areas of the program are roofing, HVAC, and life safety/security. She noted that most of the redirected funds will go towards the High-Priority MRR program, but a small amount also may be used for other MRR projects that the colleges have upcoming or that are now underway.

15. Next, Ms. Pope presented the redirection request of \$1,917,592 for the Georgia Department of Revenue. The funds were originally authorized for the Georgia Registration and Title Information System (GRATIS) project and are requested to be redirected to provide equipment and associated software to complete implementation of the Integrated Tax System.

16. The Georgia Department of Corrections' redirection request is \$1,500,000 from its MRR program to acquire a GDOT building and property (West Annex) located at 276 Memorial Drive in Atlanta, GA. The West Annex building will serve a dual purpose as the main office for the Governor's Office of Transition Support and Reentry as well as a Probation Office/ Day Reporting Center.

17. The Department of Transportation (GDOT) has four redirection requests, totaling \$2.4 million. Three of the redirect requests, for a total of \$1.4 million, are to fund priority infrastructure

rehabilitation due to deterioration of track conditions on sections of state owned rail on both the CCKY and GSWR lines. The funds are coming from other rail rehabilitation projects. The final request from GDOT is for \$1 million to be redirected to construct a rail spur into the Walker County Industrial Park. The funds were authorized in FY2010 to provide rail crossing improvements on St. Augustine Road in Valdosta, but during initial project development it was determined that this project could not be accomplished with available funding due to magnitude and scope of work required.

18. With no further discussion, a motion to approve the each of the redirect requests for the Technical College System of Georgia, the Department of Revenue, the Department of Corrections, and the Department of Transportation was made by Speaker David Ralston, seconded by Agriculture Commissioner Gary Black, and passed unanimously by all members present.

NOTE: The resolution prepared by Counsel and Bond 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 February 25, 2015, for the purpose of identification, have been filed in the Official Documents Register under File No. ODR 02X25-4/15, 02X25-5/15, 02X25-6/15, 02X25-7/15.

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INFORMATION ITEM: PRESENTATION TO THE COMMISSION OF REDIRECTION TRANSACTIONS THAT ARE LESS THAN \$250,000 (October 1, 2014).

19. Chairman and Chief Executive Officer Governor Nathan Deal called Diana Pope to present the next item which is for informational purposes only. Ms. Pope explained that there were two redirect transactions for the Georgia Building Authority that were approved by OPB and GSFIC staff since the last Commission meeting on October 1, 2014. Both items, for a total of \$75,000, which were originally authorized for the Fort McPherson property, were redirected to provide funding for property condition assessments for the Department of Public Safety and the Georgia Emergency Management Agency headquarters. There were no questions.

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NEW BUSINESS

20. Chairman and Chief Executive Officer, Governor Nathan Deal asked if there was any

new business for discussion. No one responded in the affirmative to his question.

ADJOURNMENT

21. With no further business and upon a motion made by State Treasurer Steve McCoy, seconded by Speaker David Ralston, and unanimously adopted, the Chairman and Chief Executive Officer declared the meeting adjourned at approximately 8:46 A.M.



STEVEN L. STANCIL, EXECUTIVE SECRETARY



GOVERNOR