

MINUTES OCONEE COUNTY COUNCIL SPECIAL MEETING AUGUST 28, 1979

A special meeting of County Council was opened by Chairman Phinney with three Members of Council present . They were Council Members, Jennings, Ables and Crain.

The purpose of the meeting was First Reading of Ordinance 79-13, pertaining to the issuance of \$2,675,000.00 of Hospital Facilities Revenue Bonds for the construction of the Oconee Geriatric Center, Inc. Mrs. Jennings moved to adopt this Ordinance on First Reading. Mr. Crain Seconded and it was passed by a vote of 3 Yes and 0 No.

Mr. Les Parks was accompanied by his Attorney, Mr. Robert Kunes and Mr. Cecil Anthony, Consultant with an Atlanta Brokerage Firm. In addition to Ordinance 79-13, three other Documents were presented to Council for approval. These Documents were an Assistance Agreement, a Petition to the S.C. Budget and Control Board and a Resolution. During the discussion between the Members of Council, Mr. Parks and his Representatives, the following items were discussed:

- a. Preliminary information has been provided to the Budget and Control Board Staff for preliminary review and analysis. The Budget and Control Board had requested information on the guarantee of bond payments. It was pointed out by Mr. Park's Attorney that two Individuals (one from North Carolina and one from Virginia) had agreed to guarantee the bond payments. A Member of Council requested that this guarantee be made in writing and Council provided a copy. Inquiry was made as to how much these two Individuals would receive for their guarantees. Mr. Kunes responded that some compensation would be required, however, he did not know the amount at this time.
- b. Mr. Parks indicated that ten Individuals have been found who would agree to purchase the bonds once they go on sale, however, Mr. Parks stated that he would own approximately two thirds of the Corporation.
- c. Mr. Kunes in reference to a question, stated that approximately \$300,000.00 would be needed as operating capital...\$200,000.00 would be placed in escrow to prevent default on bonds... and \$100,000.00 earmarked for operational expenses.
- d. Mr. Anthony stated that a financial analysis study was being made by a Firm in Atlanta and should be completed and available to Council within several days. All Members of Council pointed out that they needed a copy of the analysis for study before they would be in position to approve the Ordinance on Third Reading.
- e. In response from a question from Council it was pointed out the bond interest rate would be approximately $9\frac{1}{4}\%$

The Council pointed out to Mr. Parks and his Attorneys that they did not question the need for the facility, however they were quite concerned should the operation of the facility fail. Although the failure would not result in an expenditure of county funds.

Minutes Special Meeting County Council August 28, 1979
Page Two

It was pointed out that the approval of such a venture, should it fail, would adversely reflect on the judgement of the Council and would subsequently harm Oconee County's future sale of bonds.

Council agreed to refer the Resolution, Petition, and Assistance Agreement to the County Attorney for review and if the County Attorney recommended, that these Documents be authorized to be sent to the Budget and Control Board Staff for their preliminary review and analysis.

Meeting adjourned at 9:30 A.M.