

Minutes of the August 30, 2018 County Court special meeting.

Persons in attendance at that time were: Commissioner Brian Barney; Commissioner Jerry Brummer; County Counsel Jeff Wilson; Chief Financial Officer Jeff Caldwell; Ass't County Counsel Eric Blaine. Attending via conference call were Matt Donahue of D.A. Davidson, underwriter; Ann Sherman of Hawkins Delafield Wood, LLP, bond counsel.

The purpose of today's meeting is to discuss the preliminary official statement (POS) for bonds used to fund the Airport helibase project. Ms. Sherman recommends that the County adopt a resolution regarding indebtedness like the one she distributed recently. Ms. Sherman's retainer agreement includes services related to federal tax laws, but not federal securities laws. Zion Bank, the institution assisting with the prior County bond issue, can provide a "dissemination agent" to assist with securities law.

Mr. Donahue and Ms. Sherman ask the County questions to ensure the POS is up-to-date. The proposed lease term of the helibase to the USFS is shorter than the life of the bonds. The County anticipates that the general fund would be able to cover the debt service even without lease payments. The County has no anticipated material change to its PERS valuation compared to the 2017 valuation, other than that about five new PERS employees have been hired.

Regarding prior undertakings, both Mr. Donahue and Ms. Sherman's experience is that one time, or even two time, failures to meet disclosure timeframes do not materially harm the cost of borrowing.

Seth Crawford will be the County signing authority.

Note that the SEC has increasingly tried to regulate municipal issuers, through the avenue of regulating underwriters.

The POS draft has been reviewed by Commissioners Brummer and Barney, Jeff Caldwell, and Jeff Wilson. Judge Crawford is not here today. There are no material differences in the state of the local economy trends other than what appears there. The most recently compiled audited financial statements accurately reflect the County's conditions. There are no material developments to the County's financial condition that are not reflected in the financial statements. The description of the project is complete and accurate. The County can continue to pay for debt service even without lease payments from the USFS.

There are no legal proceedings which could affect the County's financial position not described in the POS. The anticipated changes to the state of the governing body or key

personnel is the appointment of an interim treasurer next Wednesday (September 5). The County will provide Mr. Donahue and Ms. Sherman a description of those duties.

The County's description of its debt and borrowing is complete. The County has not failed to make payment, though unfortunately it did fail to meet the spring disclosure deadline this year, which it has worked to rectify. The statement of retirement benefits is accurate, all official actions necessary for issuance of the obligation have been taken, and there have been no challenges to the issuance.

Jeff Caldwell, Kathy Puckett, and the new treasurer will file continuing disclosure statements going forward. The only material event since the issuance of the 2017 bonds that would require disclosure under EMMA is that the County has made the final payment on the library bond. There are no known circumstances or conditions not currently disclosed that would affect the financial operations of the County. There are no known environmental risks with the USFS lease.

The next steps will involve an update to the POS to reflect today's meeting, and then it will be circulated along with the Deemed Final letter. The County will then return it to Mr. Donahue. Mr. Donahue will then distribute the POS and Letter to the sales desk.

On Tuesday, September 18, the pre-pricing call will be conducted, to estimate the interest rate on the bonds.

On Wednesday, September 19, the bonds will be priced. Anticipate this will occur around 10 a.m. This will be added to the agenda for the September 19 meeting. Judge Crawford will be available on October 8 to sign and ship the documents back to DA Davidson, overnight delivery. Then, on October 16, at 9:00 a.m., the County will receive a call to inform it how to receive the funds.

There being no further business of the County Court, the meeting was adjourned.

Respectfully submitted,
Eric Blaine