

**VOLUSIA COUNTY
INDUSTRIAL DEVELOPMENT AUTHORITY**

September 27, 2019
Dennis McGee Room, Daytona Beach International Airport
Daytona Beach, Florida

A duly advertised public hearing of the Volusia County Industrial Development Authority was called to order at 10:30 a.m. by Chairman Dennis Stark.

Other members present:

Rick Dawson
Kent Sharples

Bliss Jamison (newly appointed)

Others in attendance:

Channing Coolidge, Landis Graham French, PA, IDA Counsel
J. Giffin Chumley, Assistant County Attorney
Zayna Gibson, CPA for the IDA
Brad Harris, Acting Director, Volusia County Economic Development
Sally Sprague, Recording Secretary, Volusia County Economic Development

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A moment of silence was observed.

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III. A. Approval of Minutes of May 1, 2019. There being no discussion or questions, Mr. Dawson moved to accept the minutes as written. Motion seconded by Mr. Sharples and passed by unanimous voice vote.

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IV. A. Year to Date Report – Zayna Gibson said the financials were current as of September 25, as follows:

Volusia County Industrial Development Authority
Statement of Assets, Liabilities and Fund Balance

September 25, 2019

Assets	
Suntrust Checking	\$ 8,114.72
Suntrust Money Market	263,533.30
Suntrust Certificate of Deposit	100,000.00
Total	\$ 371,648.02

Fund Balance - October 1, 2018	370,150.60	-100,000.00	270,150.60
Restricted Fund Balance - June 6, 2018		100,000.00	100,000.00
Total Fund Balance			\$ 370,150.60
Excess of receipts over expenditures			1,497.42
Total			\$ 371,648.02

Statement of Receipts and Disbursements

October 1, 2018 through September 25, 2019

Income			
Application and Processing Fees		\$ 8,000.00	
Interest		1,447.77	
Total			9,447.77
Expenditures			
Accounting and Auditing		6,500.00	
Advertising Expense		1,189.35	
Licenses & Fees		175.00	
Meeting Expenses		<u>86.00</u>	
Total			<u>7,950.35</u>
Excess of receipts over expenditures			\$ 1,497.42

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B. Review and Adopt Annual Budget – Brad Harris

Mr. Harris said the Florida Auditor General has reviewed the Authority’s audit and disclosed that it generally includes the items required. However, noting the noncompliance cited by James Moore & Co. under Additional Items, the Auditor General’s office cannot complete its review until a fiscal year budgetary comparison is made. In order to satisfy the Auditor General’s request and to comply with requirements defined in Chapter 129 and Sections 166.241(2) and 189.016(3) of the Florida Statutes, it is requested that Authority members review and approve a budget for the estimate and budget for fiscal years 2019 and 2020. Ms. Gibson had provided a 10 year history of income and expenditures to support the budget recommendation. The budget has to be voted upon at a formal meeting, then forwarded to the state. After some discussion, Mr. Sharples made a motion to adopt the budget as presented. Said motion was seconded by Mr. Dawson and passed unanimously. Adopted budget is as follows:

Volusia County Industrial Development Authority Budget Worksheet

	Proposed FY 2020	Estimated FY 2019	YTD (6/30/19) FY 2019	Actual FY 2018
Income				
Application and Processing Fees	\$ 3,000	\$ 8,000	\$ 1,500	\$ 74,088
Bond Income	\$ -	\$ -	\$ -	
Reimbursement of Advertising	\$ 250	\$ -	\$ -	\$ 1,515
Interest	\$ 1,100	\$ 1,450	\$ 1,430	\$ 220
Total	\$ 4,350	\$ 9,450	\$ 2,930	\$ 75,822
Expenditures				
Accounting and Auditing	\$ 1,200	\$ 6,500	\$ 6,000	
Advertising Expense	\$ 1,500	\$ 1,190	\$ 219	\$ 775
Application Fees Refunded	\$ -	\$ -	\$ -	
Bank Fees	\$ -	\$ -	\$ -	
Licenses & Fees	\$ 175	\$ 175	\$ 175	\$ 1,775
Meeting Expenses	\$ 100	\$ 100	\$ 86	
Professional Fees	\$ 500	\$ 500	\$ -	
Promotional Expense	\$ -	\$ -	\$ -	
Total	\$ 3,475	\$ 8,465	\$ 6,480	\$ 2,550
Income or (Loss)	\$ 875	\$ 985	\$ (3,550)	\$ 73,273

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V. Old Business

A. Mr. Sharples asked the status of the Thompson Pump bond request. Mr. Harris said there has been nothing new to bring forward, and not subject to the deadline the Authority adopted a while back regarding expiration.

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VI. Public Hearing – The Evangelical Lutheran Good Samaritan Society

A public hearing regarding the proposed issuance by the Colorado Health Facilities Authority (the “*Authority*”) of its revenue bonds in one or more series in an aggregate principal amount not to exceed \$480,000,000 (the “*Series 2019 Bonds*”). The proceeds of the Series 2019 Bonds will be loaned to Sanford, a North Dakota nonprofit corporation and an organization described in Section 501(c)(3) of the Code (“*Sanford*”). The proceeds of the Series 2019 Bonds will be applied, together with other available funds, (a) in a principal amount not to exceed \$65,000,000, to refund all or a portion of the outstanding \$70,565,000 original principal amount South Dakota Health and Educational Facilities Authority Revenue Bonds, Series 2009 (Sanford Health) (the “*Sanford Series 2009 Bonds*”); (b) in a principal amount not to exceed \$45,000,000,

to refinance indebtedness of The Evangelical Lutheran Good Samaritan Society (“*Good Samaritan*”), a North Dakota nonprofit corporation and an organization described in Section 501(c)(3) of the Code (the “*Bank Loans*”); (c) in a principal amount not to exceed \$350,000,000, to refinance a portion of a loan (the “*Acquisition Bridge Loan*”), the proceeds of which were used by Sanford to acquire a controlling membership interest in Good Samaritan for an acquisition price in an amount necessary to redeem a portion of the (i) \$169,955,000 original principal amount Colorado Health Facilities Authority Health Facilities Revenue Bonds (The Evangelical Lutheran Good Samaritan Society Project) Series 2012 (the “*Series 2012 Bonds*”), (ii) \$63,675,000 original principal amount Colorado Health Facilities Authority Health Facilities Revenue Bonds (The Evangelical Lutheran Good Samaritan Society Project) Series 2013 (the “*Series 2013 Bonds*”), (iii) \$204,290,000 original principal amount Colorado Health Facilities Authority Health Facilities Revenue and Revenue Refunding Bonds (The Evangelical Lutheran Good Samaritan Society Project) Series 2015A (the “*Series 2015 Bonds*”) and (iv) \$220,720,000 original principal amount Colorado Health Facilities Authority Health Facilities Revenue and Revenue Refunding Bonds (The Evangelical Lutheran Good Samaritan Society Project) Series 2017 Bonds (the “*Series 2017 Bonds*”), all previously issued for the benefit of Good Samaritan; (d) in a principal amount not to exceed \$10,000,000, to refund all or a portion of the outstanding \$9,309,427.76 original principal amount Morton County, North Dakota Nursing Facilities Revenue Refunding Bonds (Sanford Living Centers Project), Series 2014C (the “*Sanford Series 2014C Bonds*”) and \$2,137,912.42 original principal amount Morton County, North Dakota Nursing Facilities Revenue Refunding Bonds (Sanford Living Centers Project), Series 2014E (the “*Sanford Series 2014E Bonds*” and, together with the Sanford Series 2014C Bonds, the “*Sanford Series 2014 Bonds*”), (e) in a principal amount not to exceed \$10,000,000, to finance or reimburse the cost of remodeling, renovating, furnishing and equipping certain of Sanford’s or Good Samaritan’s (or any tax-exempt affiliate thereof) health care and/or senior living facilities located in several jurisdictions throughout the United States, including in Volusia County, Florida; (f) to pay a portion of the interest on the Series 2019 Bonds, if deemed necessary or advisable by the Authority or Sanford; (g) to provide working capital, if deemed necessary or advisable by the Authority or Sanford; (h) to fund a debt service reserve fund, if deemed necessary or advisable by the Authority or Sanford; and (i) to pay certain expenses incurred in connection with the issuance of the Series 2019 Bonds (collectively, the “*Financing Purposes*”). Public approval by each local jurisdiction has been or will be obtained following a public notice and public hearing regarding the Series 2019 Bonds and the facilities financed and/or refinanced in that local jurisdiction. A portion of the proceeds of the Series 2019 Bonds (a) in a principal amount not to exceed \$10,000,000 will be used to refinance the Acquisition Bridge Loan, a portion of the proceeds of which were spent at Good Samaritan Society – Florida Lutheran (“*Good Samaritan Florida Lutheran*”) located at 436 and 450 North McDonald Avenue in DeLand, Florida and (b) in a principal amount not to exceed \$2,000,000 will be used to finance or reimburse the costs of remodeling, renovating, furnishing and equipping Good Samaritan Florida Lutheran.

Chairman Stark opened the public hearing. There were no members of the public to speak for or against the requested.

Channing Coolidge noted that the request is to issue bonds country-wide which would impact a facility in Volusia County. A public hearing by the IDA is necessary and if approved is forwarded to the County Council for final approval. The requested refinancing is for renovations to the existing skilled nursing community and refinancing of existing indebtedness. Good Samaritan had a TEFRA

hearing in 2017 for their DeLand facility, and these funds will be refinanced. There was a merger between Good Samaritan Society and Sanford Obligated Group, Sanford has an A+ bond rating. The Colorado Health Facilities Authority will be issuing the bonds. Mr. Coolidge noted the public notice was lengthy but is required and has abundant information. No interlocal agreement is required.

Appearing before the Authority was Ms. Tabitha Cook, Administrator for Good Samaritan Society Daytona. She said the DeLand facility, located at 450 North McDonald Avenue in DeLand, recently opened an assisted living facility which provides additional services for their residents. Renovations are also planned to better provide for current and future residents and enhance their quality of life.

At this time Chairman Stark closed the public hearing.

There being no further discussion, Mr. Dawson moved to approve Resolution 2019-002 which will be forwarded to the County Council for their final approval. Said motion was seconded by Ms. Jamison and passed by unanimous voice vote.

The request will be forwarded to County Council for their meeting of October 15, 2019.

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VII. New Business

The Authority welcomed Giff Chumley, Assistant County Attorney, who will be attending henceforth.

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VIII. Adjournment - There being no further business meeting adjourned at 10:52 a.m.

This is a general overview of the meeting. The meeting was recorded.