



LEE COUNTY BOARD OF COMMISSIONERS

T. PAGE THARP GOVERNMENTAL BUILDING
102 STARKSVILLE AVENUE NORTH, LEESBURG, GEORGIA 31763

Friday, October 25, 2024 AT 10:00 AM
T. PAGE THARP BUILDING
KINCHAFOONEE CONFERENCE ROOM
WWW.LEE.GA.US

MEETING MINUTES
SPECIAL CALLED JOINT MEETING
BOARD OF COMMISSIONERS
DEVELOPMENT AUTHORITY
HOSPITAL AUTHORITY

COUNTY COMMISSIONERS

Luke Singletary, Chairman, District 2
Chris Guarnieri, Vice-Chairman, District 4
Dennis Roland, Commissioner, District 1
Billy Mathis, Commissioner, District 3
George Walls, Commissioner, District 5

COUNTY STAFF

Christi Dockery, County Manager
Kaitlyn Good, County Clerk
Jimmy Skipper, County Attorney

The Lee County Board of Commissioners, Lee County Development Authority, and Lee County Hospital Authority met in a Special Called Joint Meeting on Friday, October 25, 2024. The meeting was held in the Kinchafoonee Conference Room of the Lee County T. Page Tharp Governmental Building in Leesburg, Georgia. Those present from the Board of Commissioners were Chairman Luke Singletary, Vice-Chairman Chris Guarnieri, Commissioner Dennis Roland, Commissioner Billy Mathis, and Commissioner George Walls. Those present from the Development Authority were Chairman Greg Crowder, Vice-Chairman Al Manry, David Brokamp, Bobby Donley, Dr. Jason Miller, and Keith Miller. Joey Kirksey was absent. Those present from the Hospital Authority were Vice-Chairman Dr. Bruce Houston, Secretary Jennifer Heyer, and Dana Hager. Chairman Rick Muggridge and Randy Carr were absent. Staff in attendance was County Manager Christi Dockery, County Clerk Kaitlyn Good, Development Authority Executive Director Lisa Davis, and County Attorney Jimmy Skipper. Hughston Clinic CEO Mark Baker, Bond Attorney Roger Murray, and Hughston Clinic CFO Chris Wiggins joined via Zoom. Board of Commissioners Chairman Singletary called the meeting to order at 10:02 AM.

1. CALL TO ORDER

2. NEW BUSINESS

A) Discussion of a potential medical facility in Lee County.

Commission Chairman Singletary welcomed everyone present and introduced those present via Zoom.

Commission Chairman Singletary and Commissioner Billy Mathis summarized the following points as they pertain to the hospital project. The Hospital will not require a certificate of need (“CON”) due to a recent change in law, but it will need to obtain a determination from the Georgia Department of Community Health that the Hospital is exempt from the CON law. The determination request requires a description of the Hospital, including the number of beds, and the Hospital’s commitment to having an emergency department, among other things.

The Hospital will be located on land currently owned by the Development Authority (the "Site"). The Development Authority will convey the Site to the Company (hereinafter defined) for \$1.00. This Site is the Grand Island property.

The Hospital will be owned by a non-profit corporation (the "Company"). The board of directors of the Company will be comprised of community representatives.

The day-to-day operations of the Hospital will be managed by Peoples Health System, LLC (the "Manager"). The Manager anticipates subcontracting out some of those management services to the management company affiliated with the Hughston Clinic. Mark Baker and Chris Wiggins are the principals of the Manager. The Manager will be paid an annual market fixed fee for its services and will be eligible for performance bonuses.

The Hospital Authority will not have any responsibilities regarding the ownership or operation of the Hospital.

The Hospital Authority will issue two series of revenue bonds. One series of revenue bonds will be issued in an aggregate principal amount currently expected to be approximately \$128,000,000 and will be payable solely from the revenues of the Hospital (the "Revenue Bonds"). The second series of revenue bonds will be issued in an aggregate principal amount currently expected to be approximately \$30,000,000 and will be payable from payments made by the County pursuant to an intergovernmental contract (the "Intergovernmental Contract") between the Hospital Authority and the County (the "Contract Backed Bonds" and together with the Revenue Bonds, the "Bonds").

The actual principal amount of the Revenue Bonds will be based upon the costs of the Hospital. The actual principal amount of the Contract Backed Bonds will be based upon the costs of the Hospital AND the profitability projections.

The Manager will be responsible for the development of the Hospital and will be paid a market development fee.

Under the terms of the Intergovernmental Contract, the County will agree to pay the Hospital Authority amounts sufficient to enable the Hospital Authority to pay the debt service on the Contract Backed Bonds (the "Contract Payments"). The annual debt service payment on the Contract Backed Bonds is estimated to be 1.8 million per year. The County may be reimbursed for all or a portion of the Contract Payments if the Company has met certain financial tests (e.g., a rate covenant and a days' cash on hand covenant) and the Company has fully funded a working capital reserve, debt service reserve and repair and replacement fund.

If the Bonds are not issued, the County will pay the expenses related to the planning, design and attempted financing of the Hospital, except for (a) the underwriters' fees (they are working on a contingent basis) and (b)(i) the cost of the feasibility study, (ii) the costs associated with the CON application/exemption, including legal fees and (iii) the legal fees of the Developer/Manager (all of which will be paid by the Developer/Manager). The expenses payable by the County if the Bonds are not issued are currently estimated to be 3-4 million. If the Bonds are issued, all expenses relating to the planning, design and financing of the Hospital will be paid with Bond proceeds.

The County will pay the costs of running utilities to the Hospital.

County Attorney Jimmy Skipper discussed the importance of the feasibility study, stating that it is the first thing to be started in the process. This study will give a better look and allow us to know for sure if this project will work. This study is also necessary for the bonds.

Commissioner Mathis clarified that this would be an acute care hospital, without a trauma center or obstetrics. This will be a teaching hospital, with the option to hopefully add obstetrics and other

specialties in the future. Commissioner Roland voiced concern about the taxpayers paying a debt acquired by the County, to which Commissioner Mathis replied that there would be no tax increase for the citizens. Commission Chairman Singletary added that the hospital would be a huge draw for developers and with large anchor tenants, the tax revenue should cover the cost of the bonds.

Hospital Authority Vice-Chairman Dr. Houston stated that this would provide an opportunity for the private practitioners to work in the area, but not solely at Phoebe. Competition breeds the best practices as well as the best healthcare costs. From the audience, general surgeon Dr. Aderhold echoed that sentiment and voiced support, stating that competition would be good for the area. Mark Baker added that no competition breeds mediocrity and the goal is to build a facility full of high performers. Development Authority member Keith Miller asked how long it would take to be profitable, to which Mr. Baker replied that it could be as soon as 12 to 18 months.

From the audience, Mr. Mike Sabot referred to the moratorium on utilities and asked how that would affect this project. Commission Chairman Singletary stated that this project is the reason behind the moratorium- so that there would be capacity for the hospital. A water/sewer usage of approximately 10,000 gallons is predicted, which is well within current capacity. Understandably, any future growth will cause necessary expansion. Commissioner Mathis stated that the Utilities Authority is working to double the capacity of the treatment. Commissioner Walls added that this project should be done in December. From the audience, a citizen asked if it would be a 50 bed hospital, to which Commission Chairman Singletary stated that that would come with the building plans and would be left up to the management company.

For the Board of Commissioners: Commissioner Mathis made the **MOTION** to authorize the continuation of the project. Vice-Chairman Guarnieri seconded the **MOTION**. The **MOTION** passed with Chairman Singletary and Commissioner Walls voting yea. Commissioner Roland recused himself from the vote, citing that he was neither in favor or against the project.

For the Development Authority: Vice-Chairman Al Manry made the **MOTION** to authorize the continuation of the project. Dr. Jason Miller seconded the **MOTION**. The **MOTION** passed with David Brokamp, Bobby Donley, and Keith Miller voting yea.

For the Hospital Authority: Dana Hager made the **MOTION** to authorize the continuation of the project. Jennifer Heyer seconded the **MOTION**. The **MOTION** passed with Vice-Chairman Dr. Bruce Houston voting yea.

3. **PUBLIC FORUM**

No citizens took part in the Public Forum.

4. **ANNOUNCEMENTS**

A) The next regularly scheduled County Commission meeting is *Tuesday, November 12, 2024 at 6:00pm.*

5. **ADJOURNMENT**

The meeting adjourned at 10:50am.

CHAIRMAN

ATTEST:

COUNTY CLERK