

TERM OF COMMISSION: June Session of the April Adjourned Term

PLACE OF MEETING: Roger B. Wilson Boone County Government Center  
Commission Chambers

PRESENT WERE: Presiding Commissioner Daniel K. Atwill  
District I Commissioner Karen Miller  
District II Commissioner Janet Thompson  
Senior Buyer Liz Sanders  
Stormwater Coordinator Nicki Fuemmeler  
Treasurer Nicole Galloway  
Deputy County Clerk Mike Yaquinto

The meeting was called to order at 9:30 a.m.

### **Purchasing**

#### **1. First reading; Disposal of surplus equipment by auction on GovDeals**

Liz Sanders read the following memo:

The Purchasing Departments requests permission to dispose of the following list of surplus equipment by auction on GovDeals or by destruction for whatever is not suitable for auction.

There were no comments or questions.

Commissioner Atwill stated this is a first reading and requested the Deputy County Clerk to schedule this item for a second reading at the next available commission meeting with appropriate order for approval.

**2. Second reading; Computer and Peripheral Surplus Disposal (1<sup>st</sup> read 6-19-14)**

Commissioner Thompson moved on this day the County Commission of the County of Boone does hereby approve the request by the Purchasing Department to dispose of the attached list of surplus PC & Peripheral equipment through MRC Recycling Center. It is further ordered that the Presiding Commissioner is hereby authorized to sign the Request for Disposal forms.

Commissioner Miller seconded the motion.

The motion carried 3 to 0. **Order #300-2014**

**3. Second reading; MM65 – Sodium Chloride Term and Supply (1<sup>st</sup> read 6-19-14)**

Commissioner Miller moved on this day the County Commission of the County of Boone does hereby award bid MM65 – Sodium Chloride Term & Supply to Independent Salt Company of Kanopolis, KS.

The terms of the bid award are stipulated in the attached Purchase Agreement. It is further ordered the Presiding Commissioner is hereby authorized to sign said Purchase Agreement.

Commissioner Thompson seconded the motion.

The motion carried 3 to 0. **Order #301-2014**

**Family Court Services**

**4. Public Hearing; Budget Amendment to increase revenue and expenditures for the Domestic Relations Resolution Fund**

Commissioner Atwill opened the Public Hearing and asked if there is anyone present that would like to speak on this item. There were no speakers and Commissioner Atwill closed the Public Hearing.

**5. Second reading; Budget Amendment to increase revenue and expenditures for the Domestic Relations Resolution Fund (1<sup>st</sup> read 6-12-14)**

Commissioner Thompson moved on this day the County Commission of the County of Boone does hereby acknowledge the following budget amendment for Family Court Services to increase revenue and expenditures for the Domestic Relations Resolution Fund – Contact for Kids: A Safe Way Grant.

Department	Account	Department Name	Account Name	Decrease \$	Increase \$
1243	03451	Judicial Grants	State Reimb. Grant		5,000
1243	71101	Judicial Grants	Professional Services		5,000

Commissioner Miller seconded the motion.

The motion carried 3 to 0. **Order #302-2014**

**Resource Management**

**6. Public Hearing; Budget Amendment on additional costs and revenue for the 2014 Pavement Preservation Projects**

Commissioner Atwill opened the Public Hearing and asked if there is anyone present that would like to speak on this item. There were no speakers and Commissioner Atwill closed the Public Hearing.

**7. Second reading; Budget Amendment on additional costs and revenue for the 2014 Pavement Preservation Projects (1<sup>st</sup> read 6-12-14)**

Commissioner Miller moved on this day the County Commission of the County of Boone does hereby acknowledge the following budget amendment for Resource Management for additional costs and associated revenue for three (3) joint projects with the City of Columbia covering fog seal, chip seal and asphalt overlay.

Department	Account	Department Name	Account Name	Decrease \$	Increase \$
2041	71202	Infrastructure Preservation/Rehab	Contractor Costs		25,817
2041	71100	Infrastructure Preservation/Rehab	Outside Services		13,849
2041	71100	Infrastructure Preservation/Rehab	Outside Services		9,141
2041	3528	Infrastructure Preservation/Rehab	Reimb Personnel/Projects		48,807
					97,614

Commissioner Thompson seconded the motion.

The motion carried 3 to 0. **Order #303-2014**

**8. First reading; FairCom East Driveway Improvements Security Agreement**

Nicki Fuemmeler said Resource Management is requesting acceptance of the Stormwater Erosion and Sediment Control Security Agreement for the FairCom East Driveway Improvements. The developer agrees to provide the County with security in the amount of \$20,990.25. The new driveway is to connect the east side of the parking lot. This will be done in one phase.

There were no comments or questions.

Commissioner Atwill stated this is a first reading and requested the Deputy County Clerk to schedule this item for a second reading at the next available commission meeting with appropriate order for approval.

**Treasurer**

**9. 1<sup>st</sup> & 2<sup>nd</sup> reading; Approval authorizing the Release of Conditional Redemption Notice for Boone Hospital Center**

Nicole Galloway said the hospital is calling their 2004 Revenue Bonds through a Bank Direct Purchase. We are doing this Conditional Redemption Notice to tell the current bond holders we are going to call these bonds to be refunded. The 1<sup>st</sup> and 2<sup>nd</sup> reading is required today due to some time sensitivity. The Hospital Board Trustees are meeting today. Jim Caldwell, our Bond Counsel and Jeff White, our Financial Advisor will detail the process going forward.

Jim Caldwell said the action today is a simple one compared to the action to take place in July which will be more substantive. The timing for today is because the bonds being refunded may be called for redemption on August 1<sup>st</sup> because they had a higher interest rate than what was hoped that the refunded bonds will carry. The sooner these bonds can be called after August 1<sup>st</sup>, the more savings there will be for the hospital. There is a requirement that the trustee, UMB Bank, receive notice 45 days before the bonds are called. The schedule calls for a closing on August 28<sup>th</sup>. The primary purpose is to release the notice to the Trustee. The notice to the bond holder does not need to go out until the Commission meets in July.

The action item today is to authorize the Treasurer to sign the redemption notice. It is a joint notice between the Board of Trustees of the hospital and the County telling the Trustee the process of drafting a notice of redemption notifying the bond holder that the bonds will be

called. It is referred to as a conditional Notice of Redemption because, even though the bond holders are notified the bonds will be called, it is conditional upon issuance of the refunding bonds.

Commissioner Atwill said it appears that the amount to payoff is between 100-105 million dollars for all three sets of bonds.

Mr. Caldwell said that is correct, but we are only calling the series 2004 bonds. They are the only ones that can be called at this time. A principal payment will come due on August 1<sup>st</sup> that will leave \$4.1 million of the 2004 bonds outstanding. The notice is only calling the \$4.1 million outstanding on August 1<sup>st</sup>. The 2008 and 2012 bonds are not subject to redemption at this time.

Commissioner Atwill said that the recitals mention all three.

Mr. Caldwell said that was done to give the Commission a historical perspective on the issuance of the bonds.

Commissioner Atwill asked what the interest rates are on the bonds.

Mr. Caldwell said that the rates vary. It is 3% for 2015-16, 4% for 2017-2020, 3.125% for 2021 and 3.2% for 2022. The difference in the rates is due to the fact that some of the bonds were offered at a premium. The yield on the bonds is more of a smooth curve and not the actual rates listed on the bonds.

Commissioner Atwill asked about the target interest rate.

Jeff White said there is a RFP currently out to select a Bank Direct Purchaser which would identify the expected interest rates on the bonds. We expect, based on current market

conditions, the hospital would generate savings, in 2014 dollars, around \$275,000. For budgetary purposes, it is about \$30,000/year for the remaining 10 years of the bonds. This is about 6% of the refunded PAR and usually we recommend issuers consider current refunding at 3% or higher.

Mr. White said there are two ways that governments get bonds on the market. The first is Competitive Sale which is the preferred way for the County and the second is Negotiated Sale where the County selects an underwriter to place the bonds on the market and then negotiates the terms and conditions of the sale. As mentioned, the County preferred method is Competitive Sale. In this case, the bonds, when last on the market generated a rating in the A category. This is a relatively small transaction. It is a hospital revenue credit that has a small investor base and as a result, we expect fewer numbers of bidders. Another component is that in a transaction of this size, additional costs such as rating agencies can add to the cost of the transaction and reduce the savings amount.

The proposal in this case is to use a form of negotiated sale called Bank Direct Purchase. This method of sale did not exist before 2009 in a formal way. Since the credit crisis, this new crop of Bank Direct Purchases has materialized. Banks, big and small, are doing this. It often looks like a loan. The benefits are lower transaction costs, competitive interest rates and the ability to conduct quick transactions. There is a RFP out due July 3<sup>rd</sup>. We will identify the best and return on July 22<sup>nd</sup> with a recommendation to the Commission. We are looking at effecting the transaction towards the end of August. The old bonds will be paid off and the County would then begin to generate those savings.

Commissioner Atwill inquired about the \$275,000 savings and how it is calculated.

Mr. White said it is the amount after expenses are deducted. Those typically include Bond Counsel, Financial Advisory services, Board Trustee, hospital counsel and sometimes bank counsel, typically around \$100,000.

Commissioner Atwill said if not for those costs, the savings would be \$375,000.

Mr. White said that is correct and said that the County has no obligation on these bonds. The balance sheet is not at risk. The bond holders are entitled only to the revenues produced by the hospital.

Commissioner Miller said that those costs are paid by the hospital.

Nicole Galloway said that is correct. The County does not issue a check. Those are part of the cost of issuance.

Jim Caldwell said that the first draft of the document has been circulated to solicit comment. Once comment has been received, it will be incorporated and another draft will be forthcoming.

There were no further comments or questions.

Commissioner Thompson moved on this day the County Commission of the County of Boone does hereby approve the attached order authorizing the giving of conditional notice of redemption for Hospital Revenue Bonds (Boone Hospital Center), Series 2004, of Boone County Missouri, in connection with the proposed issuance of a series of Hospital Refunding Revenue Bonds.

Commissioner Miller seconded the motion.

The motion carried 3 to 0. **Order #304-2014**



**Commission**

**10. 1<sup>st</sup> & 2<sup>nd</sup> reading; Approve Closed Session authorized per RSMo Sec 610.021 (1) 610.021 (3) and 610.021 (13) at 9:30AM on July 1, 2014**

Commissioner Miller moved on this day the County Commission of the County of Boone does hereby authorize a closed meeting on Tuesday, July 1, 2014, at 9:30 a.m. The meeting will be held in Room 338 of the Roger B. Wilson Boone County Government Center at 801 E. Walnut, Columbia, Missouri, as authorized by RSMo 610.021(1), to discuss legal actions, causes of action or litigation involving a public governmental body and any confidential or privileged communications between a public governmental body or its representatives and its attorneys, 610.021 (3) RSMo. to discuss the hiring, firing, disciplining or promoting of particular employee by a public governmental body when personal information about the employee is discussed or recorded and 610.021 (13) RSMo. to discuss individually identifiable personnel records, performance ratings or records pertaining to employees or applicants for employment.

Commissioner Thompson seconded the motion.

The motion carried 3 to 0. **Order # 305-2014**

**11. Public Comment**

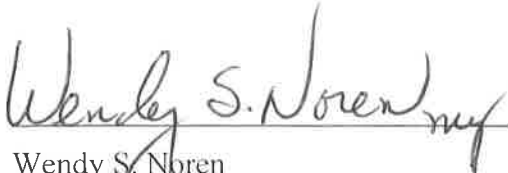
None

**12. Commissioner Reports**

None

The meeting adjourned at 9:59 a.m.

Attest:



Wendy S. Noren  
Clerk of the County Commission



Daniel K. Atwill  
Presiding Commissioner



Karen M. Miller  
District I Commissioner



Janet M. Thompson  
District II Commissioner