



# ESCAMBIA COUNTY HEALTH FACILITIES AUTHORITY

## MEETING AGENDA December 12, 2018 4 p.m.

1. **Call to order and accept proof of publication of notice of meeting.**
2. **Approve Minutes of November 27, 2018 meeting.**
3. **Open Forum/Public Comment:** The Health Facilities Authority allows any person to speak regarding agenda items other than ministerial or information only matters. Speakers must complete the speaking request form prior to the start of the meeting. Each speaker or group representative is limited to three (3) minutes of speaking time. Speakers shall refrain from abusive or profane remarks; disruptive outbursts; protests; or other conduct which interferes with the orderly conduct of the meeting.
4. **Financial Matters:**
  - a. Ms. Yeagle to present FY 2018 4<sup>th</sup> Quarter Financial Statements.
  - b. Reports on Operations for the month of November 2018.
  - c. Adopt Resolution 2018 – 08 establishing policies for routine financial matters commencing January 1, 2019.
  - d. Adopt Resolution 2018 – 09 establishing internal control procedures for financial matters commencing January 1, 2019.
  - e. Adopt Resolution 2018 – 10 approving the 2019 Investment Policy.
5. **Operations:**
  - a. Consider approval of Agreement for Consulting Services with Paula G. Drummond, P.L. commencing January 1, 2019.
6. **Routine Authority Business:**
  - a. Miscellaneous items.

**Next scheduled meeting of the Authority:      January 22, 2019**

**ESCAMBIA COUNTY HEALTH FACILITIES AUTHORITY**  
**MEETING MINUTES**  
**November 27, 2018**  
**4:00 p.m.**

**Members Present:** Eugene Franklin  
Michael Kohler  
Linda Miragliotta  
Jim Hall

**Members Absent:** Keith Bullock

**Others Present:** Paula Drummond, Administrator/General Counsel  
Virginia Yeagle, Authority CPA

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1. **Call to Order and accept proof of publication of notice of meeting.** Chairman Franklin called the meeting to order at 4pm. Additional Board members in attendance were Linda Miragliotta, Jim Hall and Mike Kohler. Board member Keith Bullock was absent due to out of town travel. Also, present were Paula Drummond, Administrator and General Counsel, and Virginia Yeagle, Authority CPA. Notice of the meeting was published in the BCC weekly meeting notice in the Pensacola News Journal on Saturday, November 24, 2018 and on the Authority's website since the date of the October meeting.

2. **Approve Minutes of the meeting held on October 23, 2018.** Motion was made by Mr. Hall seconded by Ms. Miragliotta to approve the minutes as presented. Motion passed unanimously.

3. **Open Forum/Public Comment: None**

4. **Financial Matters:**

a. **Covenant Hospice Series 2005 bonds: Sale of asset financed with bond proceeds.** Ms. Drummond updated the Board on the status of the request from Covenant Care to assist them with the sale of their Palafox Street office building financed with proceeds of their 2005A Bonds. Ms. Drummond explained the work that had been done by herself and bond counsel Jodie Smith of Maynard, Cooper and Gale of Birmingham AL with regard to the issues raised by the proposed sale of property financed with tax exempt bonds. Ms. Drummond also read an email from Odin Berg, CFO of Covenant Care, on November 21, 2018 stating the proposed buyer had decided not to move forward with the purchase of the building; that Covenant Care was evaluating their options and requested further work on the project to be put on hold. Ms. Miragliotta asked what Board action would be necessary should the building be sold in the future. Ms. Drummond then explained the issues related to the sale of property financed with tax exempt financing, and the preliminary approvals that were needed before the transaction could proceed. Since the transactions for Covenant Care had only been put on hold and a potential sale to another buyer was still possible, Ms. Drummond recommended that the Board be proactive and approve the preliminary actions needed: (1) Authorize counsel to schedule a TEFRA hearing if needed; (2) appoint counsel to act as the Hearing Officer to conduct the hearing and prepare the report; (3) if a TEFRA hearing is conducted, authorize counsel to request approval of the reissuance/remediation of the Series 2005A bonds by the Escambia County Board of County Commissioners; (4) engage Joseph "Jodie" Smith of Maynard Cooper & Gale, Birmingham, AL as bond counsel for the Authority for this transaction; and (5) authorize counsel to negotiate administrative and attorney fees with Covenant Care and schedule a closing date when appropriate. There was also discussion about Ms. Drummond continuing to provide services as Issuer's Counsel on the transaction if

it is revived after January 1, 2019, in light of authority in her current contract to finish work on bond matters in progress at the time her contract expires. The consensus was to readdress this at such time as Covenant Care comes back to the Authority. After further discussion, Mr. Hall made a motion, seconded by Mr. Kohler, to approve items 4(a)(1)-(5). Motion passed unanimously.

**b. Report on operations for the month of October 2018.** Ms. Yeagle presented the reports on operations which included the Account Balances report and the Transaction report. After discussion of various items on the reports, motion was made by Mr. Kohler and seconded by Ms. Miragliotta to approve the reports as presented. Motion passed unanimously.

**c. Investment Policy matter: Consider the approval of a purchase of commercial paper in the amount of \$175,000 having a maturity date of 6 months or less, and ratification of any prior commercial paper purchase whose face value may have exceeded the provisions which limits investments in the securities of anyone issuer to 6% of the assets of the portfolio:** Ms. Drummond explained the Authority has \$175,000 in proceeds available for reinvestment. The Authority's investment manager found two commercial paper (CP) offerings with maturities at either 90 or 180 days which would be suitable for the portfolio. She explained the current investment policy approved in 2012 limits certain investments in any one issuer to an amount that does not exceed 6% of the value of the assets in the portfolio. Based on the current value the limit is \$123,000. Ms. Drummond requested board approval to go forward with a single investment in a CP product notwithstanding the limitation, as it is short term and ideal in a rising interest rate environment. She advised the investment policy as written authorizes the investment if approved by the Board. After discussion, it was moved by Ms. Miragliotta and seconded by Mr. Hall to approve the purchase as recommended. Motion passed unanimously. Ms. Drummond then asked the Board to ratify any prior purchases of CP whose face value may have surpassed the 6% limitation at the time it was made. She explained that any such purchase would have been an oversight attributable to trying to find a suitable shorter term investment option for the Authority, and confirmed that any such purchases would have met every rating and quality requirement under the Investment Policy. Motion was made by Ms. Miragliotta and seconded by Mr. Hall to ratify any and all prior CP purchases that exceeded the 6% limitation at the time of purchase. Motion passed unanimously. Ms. Yeagle advised the Board that an updated Investment Policy would be presented at the December meeting which would address the 6% limitation provision.

## **5. Operations:**

**a. Schedule a meeting in December 2018 to approve the Covenant Care financing documents, and final year end approvals of all outstanding matters; approve the 2019 meeting schedule:** Ms. Yeagle advised that a December meeting was necessary and suggested dates of Wednesday December 12 or Thursday December 13. After discussion by the Board of their availability, it was determined that the best date for those present would be Wednesday December 12<sup>th</sup> at 4pm. Ms. Yeagle also presented a proposed meeting schedule for 2019. After discussion, motion was made by Mr. Kohler, seconded by Mr. Hall, to approve the 2019 meeting Schedule as presented. Motion passed unanimously.

**b. Discussion and consideration of the independent contractor services agreement with Virginia L. Yeagle CPA PLLC.** Ms. Drummond presented the contract for professional services with the Virginia L. Yeagle CPA firm to handle the financial and administrative functions of the Authority beginning January 1, 2019. Ms. Drummond explained that the new contract contained provisions which were similar to the current contract with the CPA firm. Ms. Drummond advised the contract had been reviewed by Ms. Yeagle and the terms and compensation were acceptable to her. There was discussion regarding the number of hours the office would be open and the days the office would be closed for observed holidays, vacation or other reasons. Motion was made by Mr. Hall, seconded by Mr.

Kohler to approve the contract for professional services with Virginia L. Yeagle, CPA PLLC, as presented. Motion passed unanimously.

**c. Discussion and consideration of the Legal Services Agreement with Michael J. Stebbins, P.L.** Ms. Drummond presented the proposed Agreement for Legal Services with Michael J. Stebbins, PL to commence on January 1, 2019. She indicated the version before the Board had a few minor changes from Mr. Stebbins which did not change the substance of the draft they had received prior to the meeting. She explained the changes, and addressed Exhibit A to the agreement which outlined the general categories of legal services to be provided. Discussion was held on various aspects of the contract, and the anticipated level of services Mr. Stebbins would provide early on in the contract period while he was becoming familiar with the Authority operations. Ms. Drummond advised it was important for Mr. Stebbins to attend all board meetings to be fully informed about the Authority's operations and ongoing business matters. Ms. Drummond advised the contract authorized only Ms. Yeagle, and/or the Board while convened in a public meeting, to directly request legal services from Mr. Stebbins. Additional discussion ensued on the interaction of the forthcoming consulting agreement with Ms. Drummond with the services Mr. Stebbins will provide. She gave an overview of the services she expects to provide as a consultant, and affirmed she would not perform any duties assigned to the Administrator or General Counsel, unless specifically requested to so by the Board. Ms. Drummond advised her contract for consulting services will be presented to the Board at its December meeting. At the conclusion of all discussion, motion was made by Mr. Kohler, seconded by Mr. Hall to approve the Legal Services Agreement with Mr. Stebbins, as amended. The motion passed unanimously.

**Routine Authority Business:**

**a. Update on Lakeview Century Project:** Ms. Drummond read an email from Jim Richardson, Director of Operations at Lakeview, which advised the project completion date is now estimated at late January to mid-February, and significant progress on the construction was now underway.

**b. Update on Audit for FY 17-18.** Ms. Yeagle updated the Board on the status of the audit, and identified the documents that had been delivered to date to the auditors. She indicated field work for the audit has been moved to the second week of January 2019.

**c. Council on Aging Reception.** Ms. Drummond advised the Board and staff were invited to a reception on the afternoon of December 4, 2019 at which the Council intends to thank the Authority for their financial support over the years. Ms. Drummond and Ms. Yeagle indicated they will attend, and several board members expressed interest in attending. Ms. Drummond agreed to obtain further information on the location of the reception, and pass it on to interested Board members.

**There being no further business, meeting adjourned at 5:45 pm**

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**Minutes approved in public meeting on this 12<sup>th</sup> day of December, 2018.**

**ESCAMBIA COUNTY HEALTH FACILITIES AUTHORITY**

**ATTEST:**

**By:** \_\_\_\_\_  
**Chairman or Vice Chairman**

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**Secretary or Assistant Secretary**