

# HOSPITAL AUTHORITY

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

TUESDAY, MARCH 14, 2023 AT 5:15 P.M.  
T. PAGE THARP BUILDING  
OPAL CANNON AUDITORIUM  
WWW.LEE.GA.US

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## Board Members

Rick Muggridge, Chairman  
Bruce Houston, D.O., Vice-Chairman  
Jennifer Heyer, Secretary  
Dana Hager  
Randy Carr

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|---|-------------|
| 1. <u>CALL TO ORDER</u>   |             |
| 2. <u>APPROVAL OF MINUTES</u>   |             |
| (A) Consideration to approve the minutes for the Hospital Authority meeting for February 2, 2023.   | 1 - 4       |
| 3. <u>NEW BUSINESS</u>  |             |
| (A) Consideration to approve the Underwriter/Placement Agent Engagement Letter Relating to Potential Municipal Securities Transaction for the Hospital Authority of Lee County. | 5-8         |
| (B) Consideration to waive the potential conflicts of interest with respect to County Attorney Skipper's involvement with Lee County Hospital project. <i>HANDOUT</i>           |             |
| 4. <u>ANNOUNCEMENTS</u>   |             |
| NONE  |             |
| 5. <u>ADJOURNMENT</u>   |             |

AGENDA MAY CHANGE WITHOUT NOTICE

Persons with special needs relating to handicapped accessibility or foreign language interpretation should contact the ADA Coordinator at (229) 759-6000 or through the Georgia Relay Service (800) 255-0056 (TDD) or (800) 355-0135 (voice). This person can be contacted at the T. Page Tharp Building in Leesburg, Georgia between the hours of 9:00 a.m. and 4:00 p.m., Monday through Friday, except holidays, and will assist citizens with special needs given proper notice of seven (7) working days. The meeting rooms and buildings are handicap accessible.

**MINUTES OF MEETING OF HOSPITAL AUTHORITY OF  
LEE COUNTY HELD FEBRUARY 2, 2023 AT 10:00 AM IN THE  
OPAL CANNON AUDITORIUM IN LEE COUNTY, GEORGIA**

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The initial meeting of the Hospital Authority of Lee County was held on February 2, 2023 at 10:00 a.m. in the Opal Cannon Auditorium. Notices of the date, time and place of the meeting were provided under the provisions of the Georgia Open Meetings Act.

The County Attorney for Lee County, James M. Skipper, Jr., called the initial meeting to order in the absence of a Chairperson of the Authority. Mr. Skipper announced the purpose of the meeting and reviewed various documents that had been submitted to the Authority members with respect to the matters to be considered at the meeting as the initial business. Skipper swore in the members of the Authority who took and signed the oath required by Georgia law members of Hospital Authority Boards . The oath was taken before a person authorized to administer oaths as required by State law.

The next order of business was for the members to review O.C.G.A. §31-7-74.1(b) which Skipper had passed out to each member of the Authority and also to review the “Disclosure of Conflicts of Interest” form required by that statute with respect to their membership on the Authority Board. Skipper explained the statute regarding conflicts of interest using a copy of the State statute previously distributed to the Authority members. Each member completed his or her own Disclosure of Conflicts of Interest document and signed that document during the course of the meeting.

The following additional matters were considered at the meeting of the Authority:

1. With the Authority’s permission, Skipper conducted the officer elections for the Authority.

(A) Upon motion duly made and seconded and adopted unanimously, Rick Muggridge was elected as Chairperson of the Authority.

Motion made by: Randy Carr  
Motion seconded by: Dana Hager

(B) Upon motion duly made and seconded and adopted unanimously, Bruce Houston was elected as Vice Chairperson of the Authority.

Motion made by: Jennifer Heyer  
Motion seconded by: Dana Hager

(C) Upon motion duly made and seconded and adopted unanimously, Jennifer Heyer was elected as Secretary-Treasurer of the Authority.

Motion made by: Rick Muggridge  
Motion seconded by: Bruce Houston

2. With the permission of the Authority's Chairperson, Skipper presented a proposed seal of the Authority to the members, and upon motion duly made and seconded, the seal was unanimously adopted.

Motion made by: Rick Muggridge  
Motion seconded by: Bruce Houston

3. With the permission of the Authority's Chairperson, Skipper presented proposed Bylaws of the Authority. The members reviewed the Bylaws and upon motion duly made and seconded, the Bylaws were unanimously adopted.

Motion made by: Rick Muggridge  
Motion seconded by: Randy Carr

4. The Authority approved the "Organization Resolution of the Hospital Authority of Lee County" upon motion duly made and seconded and adopted unanimously.

Motion made by: Rick Muggridge  
Motion seconded by: Jennifer Heyer

5. With the permission of the Chairperson, Skipper reviewed the status of the Lee County Medical Center Project to date, including a discussion of the Certificate of Need for the Hospital, the pending request for extension of that Certificate of Need, the proposed plans to finance of the construction of the hospital, which would involve the issuance of revenue bonds by the Lee County Development Authority and the proposed issuance of revenue anticipation notes ("revenue bonds") by the Hospital Authority. Skipper estimated that the proposed revenue bonds that the Lee County Development Authority would be requested to issue would be in the amount of approximately \$130M and the proposed revenue bonds that the Hospital authority would be requested to issue would be in the amount of approximately \$30M. Skipper also referenced some of the reasons for delays in the Hospital Project. He also referenced that Cain Brothers will be the company retained to sell the Development Authority bonds, that the ownership of the CON, which is now held by LCMC, LLC, will be transferred to a non-profit entity known as The Brentwood Healthcare Foundation, LLC, which will construct the Hospital, QHR, which will manage the day-to-day operations of the Hospital as they do for approximately 40 other hospitals nationwide, Stiffel, which would be involved in selling the Hospital Authority revenue bonds if they are approved by the Authority, and the Lee County Development Authority, all being entities involved in the Project. Skipper also

stated that none of the bond/financing documents for either revenue bond transaction had been finalized or signed by any party which would be required to sign such documents. Skipper also pointed out that the land where the hospital is to be located is part of the old Grand Island Golf Course, which is currently owned by the Lee County Development Authority, and that approximately 29 acres of that old golf course property will be leased by the Development Authority for the construction of the hospital. Skipper then answered questions posed to him from the Board.

6. The next order of business was to conduct the required hearing under the Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA"). With the permission of the Chairperson, Skipper explained that the purpose of a TEFRA hearing under Federal law and Internal Revenue Service Regulations is to allow the public to express the public's opinion as to whether or not revenue bonds in connection with the financing of a non-profit project, such as the proposed Hospital, should be issued.

7. The Chairperson opened the TEFRA Hearing and two (2) speakers spoke, both in opposition to the Hospital. First was Mr. Lewis Hatcher, and the second was Mr. Dennis Roland. At the conclusion of the speakers' presentations, the Chairperson adjourned the TEFRA hearing.

8. Upon motion duly made and seconded, the Board then considered adoption of the TEFRA Resolution approving the proposed Plan of Finance and requesting that Lee County also approve the proposed Plan of Finance. Upon motion duly made and seconded, that Resolution was adopted unanimously.

Motion made by: Bruce Houston  
Motion seconded by: Randy Carr

9. Skipper pointed out several additional documents that had been presented to the members of the Authority for their review, including the Resolution Activating the Hospital Authority adopted by the Lee County Board of Commissioners, the Resolution Appointing the Five (5) Members to the Hospital Authority Board, and copies of various State statutes from Title 31, which involved the laws relating to the operation of a Hospital Authority and the powers of a Hospital Authority.

10. The Chairperson asked Skipper if the Board should select him (Skipper) as legal counsel for the Authority. Skipper responded that decision is up to the Board, but that since only one of the five members of the Authority Board was acquainted with Skipper, the Board might want to wait to make that decision. The Chair then asked the Board if they wanted to select Skipper as the Board's attorney or wait to make that selection. Upon motion duly made and seconded, the Board then selected Skipper as the legal counsel for the Authority Board.

Motion made by: Dana Hager  
Motion seconded by: Randy Carr

There being no further business, the Authority meeting was adjourned.

Respectfully submitted.

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Jennifer Heyer, Secretary-Treasurer  
Lee County Hospital Authority

# STIFEL

March 2, 2023

Mr. Rick Muggridge  
Chairman  
Hospital Authority of Lee County

Re: Underwriter/Placement Agent Engagement Relating to Potential Municipal Securities Transaction for the Hospital Authority of Lee County

Dear Rick:

The Hospital Authority of Lee County (“Issuer”) and Stifel, Nicolaus & Company, Incorporated (“Stifel”) hereby confirm they are engaged in discussions related to a potential issue of (or series of issuances of) municipal securities related to \$30,000,000 Hospital Authority of Lee County Revenue Anticipation Certificates (the “Issue”), secured by payment obligations under an intergovernmental contract between the Issuer and Lee County, Georgia (the “County”) and to formalize Stifel’s role as underwriter or placement agent with respect to the Issue.

### ***Engagement as Underwriter/Placement Agent***

Issuer is aware of the “Municipal Advisor Rule” of the Securities and Exchange Commission (“SEC”) and the underwriter exclusion from the definition of “municipal advisor” for a firm serving as an underwriter or placement agent for a particular issuance of municipal securities. Issuer hereby designates Stifel as an underwriter or placement agent for the Issue. Issuer expects that Stifel will provide advice to Issuer on the structure, timing, terms and other matters concerning the Issue. If this engagement takes the form of a placement, at the closing of the placement, Issuer will be asked to sign a Placement Agent Agreement in a form acceptable to all parties, providing for more detailed terms of this engagement as well as representations and warranties;

### ***Limitation of Engagement***

It is Issuer’s intent that Stifel serve as an underwriter or placement agent for the Issue, subject to satisfying applicable procurement laws or policies, formal approval of the conduit issuer of the securities (“Issuer”), finalizing the structure of the Issue and executing a bond purchase agreement or placement agent agreement, as applicable. While Issuer presently engages Stifel as the underwriter or placement agent for the Issue, this engagement letter is preliminary, nonbinding and may be terminated at any time by Issuer, without penalty or liability for any costs incurred by Stifel. Furthermore, this engagement letter does not restrict Issuer from selecting an underwriter/placement agent for the Issue other than Stifel or selecting an underwriting syndicate that does not include Stifel.

***Disclosures Required by MSRB Rule G-17 Concerning the Role of the Underwriter or Placement Agent***

The Issuer and the County confirm and acknowledge the following disclosures, as required to be delivered to issuers by the Municipal Securities Rulemaking Board (MSRB) Rule G-17 as set forth in MSRB Notice 2019-20 (Nov. 8, 2019)<sup>1</sup>:

The following G-17 conflict of interest disclosures are broken down into three types, including: 1) dealer-specific conflicts of interest disclosures (if applicable); 2) transaction-specific disclosures (if applicable); and 3) standard disclosures.

1. **Dealer-Specific Conflicts of Interest Disclosures**

- o Stifel has not identified any actual or potential<sup>2</sup> material conflicts of interest.

2. **Transaction-Specific Disclosures: Disclosures Concerning Complex Municipal Securities Financing:**

- o Since we have not recommended a “complex municipal securities financing”, additional disclosures regarding the financing structure for the Issue are not required under MSRB Rule G-17.

3. **Standard Disclosures**

A. **Disclosures Concerning the Underwriter’s or the Placement Agent’s Role:**

- o MSRB Rule G-17 requires an underwriter and a placement agent to deal fairly at all times with issuers, obligated persons, and investors.
- o The underwriter’s primary role is to purchase the Issue with a view to distribution in an arm’s-length commercial transaction with the Issuer. The placement agent’s primary role in the transaction is to facilitate the sale and purchase of the securities between the issuer and one or more investors for which the placement agent will receive compensation in an arm’s-length commercial transaction with the issuer. The underwriter/placement agent has financial and other interests that differ from those of the Issuer.
- o Unlike a municipal advisor, the underwriter or the placement agent does not have a fiduciary duty to the Issuer or the County under the federal securities laws and are, therefore, not required by federal law to act in the best interests of the Issuer or the County without regard to our own financial or other interests.
- o The Issuer or the County may choose to engage the services of a municipal advisor with a fiduciary obligation to represent the Issuer’s or the County’s interest in this transaction.
- o The underwriter has a duty to purchase the Issue from the Issuer at a fair and reasonable price, but must balance that duty with their duty to sell the Issue to investors at prices that are fair and reasonable.

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<sup>1</sup> Revised Interpretive Notice Concerning the Application of MSRB Rule G-17 to Underwriters of Municipal Securities (effective Mar. 31, 2021).

<sup>2</sup> When we refer to *potential* material conflicts throughout this letter, we refer to ones that are reasonably likely to mature into *actual* material conflicts during the course of the transaction, which is the standard required by MSRB Rule G-17.

- o The placement agent has a duty to use its commercially reasonable efforts to arrange the purchase of securities from the Issuer at a fair and reasonable price, but must balance that duty with its duty to arrange the sale of securities to investors at prices that are fair and reasonable.
- o The underwriter or the placement agent will review the official statement for the securities, if any, in accordance with, and a part of, its respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.<sup>3</sup>

B. Disclosures Concerning the Underwriter's or the Placement Agent's Compensation:

- o The underwriter will be compensated by a fee and/or an underwriting discount that will be set forth in the bond purchase agreement to be negotiated and entered into in connection with the Issue. The placement agent will be compensated by a fee agreed upon with the Issuer in connection with the private placement of the Issue. Payment or receipt of the underwriting/placement agent fee or discount will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Issue. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the underwriters may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

Sincerely,

Stifel, Nicolaus & Company, Incorporated

By:  \_\_\_\_\_

Name: Trey Monroe

Title: Managing Director

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<sup>3</sup> Under federal securities law, an issuer of securities has the primary responsibility for disclosure to investors. The review of the official statement by the underwriter or placement agent is solely for purposes of satisfying the underwriter's or placement agent's obligations under the federal securities laws and such review should not be construed by you as a guarantee of the accuracy or completeness of the information in the official statement.



Issuer accepts and acknowledges the foregoing.

Accepted and Executed

HOSPITAL AUTHORITY OF LEE COUNTY

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

County accepts and acknowledges the foregoing.

Accepted and Executed:

LEE COUNTY, GEORGIA

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## PUBLIC NOTICE

The Lee County Hospital Authority will hold a Special Called meeting at 5:15 PM on March 14, 2023. The meeting will be held in the T. Page Tharp Governmental Building, Opal Cannon Auditorium, 102 Starksville Avenue North, Leesburg, GA. The public is encouraged to attend and observe this meeting.

Media Notified 03/10/2023  
Posted on Website & Official Board: 03/10/2023

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