

August 31, 2023

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The Henry County Board of Commissioners held a Called Joint Meeting with Airport Authority *in person* on Thursday, August 31, 2023, at 2:00 p.m., at the Henry County Administration Building (Community Room), 140 Henry Parkway, McDonough GA. HenryTV also streamed this live online at its website, as well as Charter/Spectrum Channel 180 and Facebook Live.

Carlotta Harrell, Chair
Johnny Wilson, District 1 Commissioner (**Via Telephone**)
Neat Robinson, District 2 Commissioner
Dee Anglyn, III, District 3 Commissioner
Vivian Thomas, District 4 Commissioner
Kevin J. Lewis, Vice Chair/District 5 Commissioner

Airport Authority: Shatequa Hamilton, Art Christian, Kyle Pope, Brandon Hutchison, and John Means

Also in attendance: Cheri Hobson-Matthews, County Manager; Nancy Rowan, County Attorney; Stephanie Braun, County Clerk and Jasmin Head, Deputy County Clerk.

HENRY COUNTY CODE OF CONDUCT

(Sec. 2-2-128: Conduct during public meetings)

PLEDGE OF ALLEGIANCE

The Pledge was recited.

CALL TO ORDER

Carlotta Harrell, Chair, called the Joint Meeting with the Airport Authority of the Henry County Board of Commissioners for Thursday, August 31, 2023, at 2:00 p.m. to order.

INTRODUCTION OF AIRPORT AUTHORITY BOARD MEMBERS

Stephanie Braun, County Clerk extended introductions to the Board of Commissioners and the general public, presenting the five newly appointed members of the Authority. Dr. Shatequa Hamilton (designated as the Chair per legislation); John Means; Art Christian; Kyle Pope and Brandon Hutchinson. **Chair Harrell** expressed gratitude for their presence and acknowledged Commissioner Wilson's remote participation via telephone conference.

PRESENTATIONS

- **Legislative Presentation regarding Airport Authority**

Nancy Rowan, County Attorney presented a brief overview of House Bill 784 which established the Airport Authority. The Airport Authority's purpose is to project growth in commercial and private air traffic in Henry County. The overall responsibilities of the Authority members are to develop adequate airport facilities, eliminate airport hazards, and raise capital for the airport facilities. **Ms. Rowan** explained how the Airport Authority was formed. One member was appointed by the Board of Commissioners from a list of nominations received by the State's House of Representatives. One member was appointed by the Board of Commissioners from a list of nominations received by the Senate. Also, two members were appointed

by the Board of Commissioners. The final member was appointed by the Chair of the Board of Commissioners. **Ms. Rowan** explained that the Authority members serving term will be four years and members of the Authority serve at the pleasure of the Board of Commissioners. If two-thirds of the Board of Commissioners vote to remove a member, with or without cause, the member will be removed. Four of the five members must reside in Henry County, must be 21 years of age, cannot have a felony conviction, and if a conflict of interest between their membership on the Authority and personal or professional business interest arises, the member shall disclose the conflict to the Authority. Legislation states that the Authority Chair will be the appointee by the Chair of the Board of Commissioners. The Vice Chair, Secretary, and Treasurer shall be elected by majority vote by the members of the Airport Authority, and the Secretary may also serve as the Treasurer.

Ms. Rowan explained some of the powers of the Airport Authority: Henry County retains ownership of the Airport that is operated by the Authority; and Henry County still has the authority to operate airports, projects, or to issue revenue bonds. The Chairperson can purchase and contract on behalf of the Authority on items approved by a quorum of three or more members of the Airport Authority; Acquire, purchase, lease, and dispose of real and personal property; Request that Henry County exercise the power of eminent domain to acquire private real property or any rights or interest; Appoint, select, and employ officers, agents, and employees, including an airport manager, operations staff, engineering, architectural and contracting experts, and attorneys; Accept loans and grants of money or materials or property of any kind from the U.S. government or any federal agency; Determine what usage may be made of airport properties, projects, or facilities; Exercise each and every power that any county could exercise, under the law; Borrow money for any of its corporate purposes and issue negotiable revenue bonds; and Do all things necessary or convenient to carry out the powers expressly given in this Act.

- **Roles and Responsibilities**

Cheri Hobson-Matthews, County Manager came forward to introduce the next speaker. **Mr. Benjamin Brooks** (Bond Counsel with Smith Gamble and Russell Law Firm) presented the roles and responsibilities.

Mr. Brooks stated the duties and responsibilities, including hiring counsel to assist in the startup of the Authority and making it operable. Establish bylaws and internal procedures for the Authority. Another main source is completing training, which is required under Georgia Law (O.C.G.A 36-62 A-21). The Authority member shall attend and complete at least eight hours of training within the first 12 months of being on the Authority. All members need to be mindful while in this position and disclose any conflicts of interest (O.C.G.A 45-10-3). Also, the Opening Meetings Act (O.C.G.A. 50-14-1 (a)(3)(A)) applies to this Authority.

Mr. Brooks explained borrowing under Georgia law can be done only in certain authorized ways under the statute. There are five ways Henry County borrows: General Obligations (G.O.s), SPLOST General Obligation Debt, Lease-Purchase Revenue Bonds, Authority, and similar Revenue Bonds. Mr. Brooks explained that Authority and similar revenue bond is what this Authority will more than likely use. This bond is very favorable in the market. Bond documents may include some or all of the following: Bond Resolution/Indenture, Intergovernmental Contract, Bond Purchase Agreement, Offering/Disclosure documents, and Tax certificates. All bonds must be validated before issuance and go through the proper process.

- **Financial Presentation**

Courtney Rogers of Davenport & Company, LLC, the financial advisor for Henry County, approached to give a presentation on the finances. Before the presentation, Mr. Rogers mentioned there are two types of revenue bonds, one is called intergovernmental contract bonds, where the Commissioners would back the bonds issued by the Airport Authority. The pure revenue bonds are revenues that are created from this Airport Authority and would pay back the bonds after paying operating expenses. The Airport Authority could issue the pure revenue bonds without the Commissioners' consent.

Mr. Rogers presented on capital financing, in which federal funds for public airports are provided from the Airport and Airway Trust Fund supported by excise tax revenue on aviation system users. All federally-funded projects are given the highest priority for matching state funds. Normally, federal funds are provided at 90% of the project cost. GDOT's matching share is 5% of eligible project costs, with the remaining 5% being the responsibility of the airport sponsor. State funding for airports comes from a division of GDOT through the Georgia Airport Aid Program. Some of the highlights include:

- To be eligible for state funding assistance, the airport must be in compliance with several items, including submissions to the state agency and inclusion in 5-year capital improvement plans, among other items.
- Some projects are eligible for 75% state assistance.
- Applications are due by November 30th of each year for the following state Fiscal Year.
- Projects are prioritized with safety first and foremost.

Non-eligible projects will need to be financed 100% by the airport Authority and will need to show a revenue stream to creditors that will be used for repayment. The Airport Authority does not necessarily need a bond rating. Local, regional, and national banks may be lending sources.

Mr. Rogers explained the two different ways to borrow money: a direct bank loan and public market issuance. To secure a direct bank loan, a credit rating is not required to seek financing. There is no formal offering document required. Approximately a 5-page RFP is distributed to banks instead. A single institution purchases bonds for its own account, which may be a local, regional, or national lender. The financing is completed over the course of 30-45 days, with typically a single fixed rate for all maturities, somewhat flexible, typically up to 20 years when it comes to term limitations. There is more flexibility with the possibility of prepayment without penalty. To secure a public market issuance loan, a credit rating is conventionally required to seek financing. A comprehensive 30+ page formal offering document is required to be prepared by bond counsel and distributed. Multiple purchasers are involved in the underwriting process, including insurance companies, pension funds, individual investors, etc. Financing takes longer, usually over the course of 60-90 days, with individually fixed rates for each maturity. There is complete flexibility, and the terms of limitations are typically up to 30 years, with 10 call protection periods being the industry standard.

Mr. Rogers explained that part of his job is to keep the Authorities informed about what they are seeing in the marketplace. A few factors include whether or not the Authority has a bond rating, security (for example, is there backing from the Commissioners), the size of the loan, the amortization period, redemption provisions, and timing of borrowing.

Mr. Rogers explained that another option would be a Public Sale, which is a competitive sale where a date and time are set, and anyone can bid on it. The other option is a negotiated sale where an underwriter is hired ahead of time to take the bonds out of the marketplace. Various reasons might determine which method to use. Some of the mechanics for a public sale include the need for a bond

rating. The bonds would be sold based on the rating(s) for the Bonds, and a public offering document is prepared by either Disclosure Counsel or Bond Counsel on behalf of the local government. Interest rates typically are fixed for the entire term of the loan, and the repayment structure can be tailored to meet the local government's cash flow. For direct bank loan financing, generally, a Request for Proposals (RFP) is used to solicit competitive interest rate proposals from local, regional, and national lenders. It may be sent out to 50 different entities and may receive 5 to 10 responses. The Issuer has the benefit of knowing the terms and conditions before deciding whether or not to move forward. Whereas for a public sale, the financial advisor has permission based on a not-to-exceed borrowing amount and interest rate, and the advisors can secure the financing for the Authority. With the direct bank loan, the Authority will know what the terms are going to be before the Authority votes and moves forward or not. Some steps for a bank loan include the advisor starting by evaluating the financing and trying to determine which way is the best way to go in terms of credit. Once it's finalized, it will be presented to the board to let them know what the plan is and ask for permission to move forward. There will be a schedule put together, a preliminary official statement, credit presentations, validation hearings, meetings with rating agencies, receiving a rating back, and going out to have a bond sale. The bond sale will be held on a day the Airport Authority is meeting. If the credit is being backed by the Commissioners, they would also meet on the same day and essentially ratify the results of the bond sale on the same day it's held. The legal counsels will have all the documents pulled together a couple of weeks later.

Chair Harrell asked Lynn Planchon to come forward and give a brief description of her role and the staff she has at the airport. Lynn Planchon has been the Airport Director for Henry County for 5 years. Currently, there is one full-time staff member who is a line service person. There are currently two open positions which the Airport Authority will make decisions on the hiring. There is someone there on light duty answering calls and greeting people. Also, there is someone there assisting with grounds maintenance.

Chair Harrell asked the County Manager if the Authority hires personnel or if the current Airport Manager, Lynn Planchon, hire them? **Ms. Hobson-Matthews** stated that the Airport Director reports to the County Manager, and it will be the same structure but there have been some conversations with current commissioners and previous commissioners about creating the Airport Authority and then allowing a management group to come in and manage the airport who has the airport experience. She clarified that she was not insinuating Ms. Planchon did not have the experience necessary, but explained that we have had management groups come in before and manage the airport and identify what our critical needs are and how we can take our airport to the next level. Ms. Planchon will still report to the County Manager and will still oversee hiring, firing, and retaining staff. That is not something we are asking the Airport Authority to do. The County Manager sees their role as looking at our Capital Improvement Plan, which has been approved by the Board of Commissioners, making sure those projects are being funded and implemented, and then looking to develop an overall Airport Master Plan and looking at retaining a management company at some future date to come in and manage the airport. **Chair Harrell** asked **Ms. Hobson-Matthews** what the difference between a management company would be managing the airport and Ms. Planchon's day-to-day. **Ms. Hobson-Matthews** explained that Ms. Planchon is not only the Airport Manager but also oversees all our capital projects, and is also the SPLOST Capital Project Director, and one person cannot do it all. She does an excellent job at everything she does, and we do not want her to get burnt out. She will also be overseeing the new judicial complex, the public safety facility, and the aquatic center. If there are avenues and resources available where a company can come in and manage the airport, that is something she will be asking the board to consider. The Board of Commissioners would have to authorize a management company. The County Manager wants the employees who are already working at the airport to be retained within the management company so no one will lose their jobs.

Chair Harrell asked if we were to hire a management company, would that be the decision of the Airport Authority if the Airport Authority decided to move in that direction? Ms. Hobson-Matthews answered yes. Chair Harrell asked about the revenue that is generated through the airport, where are those revenues housed, and whether will they be housed in an account that we oversee. Ms. Hobson-Matthews explained that the airport is considered a special revenue account. **Chair Harrell** asked if the Airport Authority has to follow the County's procurement guidelines. Lynn Planchon answered that if it relates to federal and state grant reimbursement, they would have to follow those procurement guidelines. Chair Harrell asked if there were any procurement options. **County Attorney Rowan** responded that she would need to look into it further because she believes they are able to set out certain purchasing conditions, but the purchasing conditions set out by most counties or municipalities are somewhat required by state law -- so usually there is some type of bidding of some sort. We can do piggybacking, which is allowed. If they are not following the County's actual purchasing process, it would be something that is very similar to what the County currently does.

The County Attorney, County Manager, and Chair discussed the procurement guidelines that the airport will follow. There is currently no clarity on the matter.

Chair Harrell stated she would like for the Authority to get together with staff, our procurement team and Lynn Planchon, to learn about the airport first before making any major decisions.

Chair Harrell asked if each of the board members would receive an email address related to their role as a board member. The County Manager responded, saying yes, what's typically done is they will be assigned a county email address. The County Manager deferred to the County Attorney asking if the email addresses would be subject to open records. Ms. Rowan responded yes; it will be subject to the Open Records Act. Ms. Rowan also stated that the Board of Commissioners and the Airport Authority need to get together to create some type of Intergovernmental Agreement (IGA) regarding how they are funded, and what the County is willing to do. She stated although they are an Authority, they are an Authority that does not have a budget. **Chair Harrell** asked the board members if they had any questions or comments.

Commissioner Robinson stated her concern is that Lynn Planchon is doing several jobs. She asked if there was someone in the organization that we could promote to manage the airport. Ms. Hobson-Matthews responded by saying that no one has expressed interest to her in the position, and she would like to keep Lynn Planchon in that position. Ms. Planchon has not expressed to her that she would like to be removed from that position. She understands that Ms. Planchon is being pulled in several directions and there are major projects taking place in January. Commissioner Robinson stated she does not want to overlook someone else who has come onto the county and probably has those qualifications as well, so putting it out there within is basically her point.

Commissioner Anglyn just wants to show his gratitude to the airport Authority and thank them for serving.

Commissioner Lewis thanked the board and wanted to comment to the citizens that the Airport Authority is huge for the county, and this is a route for economic expansion in the western part of the county that is highly underutilized at this time. This is an attempt for us to make sure that we lower the tax burden for taxpayers. So, he would like for people to understand why we have the Airport Authority.

Commissioner Thomas stated that she needed clarification sent to her in writing because there were too many unsure statements regarding the procurement process for the county. She wants to know how they will use local community businesses and small businesses in the whole process. Regarding the hiring process that was mentioned, we need to know in writing how that process will take place. The funding received by the airport and the funding that we may have to support, she would like to be placed in a

formalized document from today's discussion for upcoming meetings. She also thanked the Authority for volunteering, and she thanked Lynn Planchon for all she had done. The **County Manager** stated that the Airport Authority will be bound by our purchasing and procurement policy because they have to be audited, but she will still provide in writing to Commissioner Thomas the questions that she is able to respond to and will defer to the County Attorney for the remaining questions.

Chair Harrell asked the new Authority members to come forward and introduce themselves. The five board members came forward and gave a brief summary of their background and expressed their gratitude for being able to serve on the board.

The County Clerk stated that we have elections of the officers, and they would need to make elections of their new officers at their first meeting (which is this meeting).

10-MINUTE RECESS WAS TAKEN

Chair Harrell turned the meeting over to Chair Hamilton from the Henry County Airport Authority.

Chair Shatequa Hamilton made a motion to approve John Means as Vice Chair; **Authority Member Brandon Hutchison** seconded. Motion carried 5-0-0.

Chair Shatequa Hamilton made a motion to approve Art Christian as Treasurer; **Authority Member Brandon Hutchison** seconded. Motion carried 5-0-0.

Chair Shatequa Hamilton made a motion to approve Kyle Pope as Secretary; **Authority Member Art Christian** seconded. Motion carried 5-0-0.

ADJOURNMENT

There being no further business to come before the Henry County Board of Commissioners at this time **Chair Harrell** adjourned the meeting. ***The meeting adjourned at 3:38 p.m.***

Carlotta Harrell, Chair

Stephanie Braun, County Clerk