

FINANCE COMMITTEE MEETING
THURSDAY, FEBRUARY 10, 1993, 4:50 PM

The Finance Committee met on Wednesday, February 10, 1993 in room 564 of the County Courthouse at 4:50 PM.

Present: Marshall Faircloth, Chairman
Tom Bacote
Johnnie Evans
Billy King
Cliff Strassenburg, County Manager
G.B. Johnson, County Attorney
John Nalepa, Finance Director
Torrey Johnson
John Carlisle
Billy Clark
Rhonda R. Davis, Deputy Clerk
Press

There was discussion of the proposals for Underwriters and Bond Counsel for Hospital Revenue Bond Refinancing.

AGENDA ITEMS:

1. Selection of Regular Meeting Date.

MOTION: Committee Member Johnnie Evans offered a motion to schedule their regular meeting dates on the first Thursday of each month at 4:00 PM.

SECOND: Committee Member Billy King

VOTE: Unanimous

3. Review of Proposals for Bond Counsel for Hospital Revenue Bond Refinancing.

Cliff Strassenburg reviewed the information provided in the proposals. It was discussed whether or not any of these firms had local counsel available. G.B. Johnson responded and advised which firms had counsel here in Fayetteville as well as Raleigh. He stated the four lowest bidding firms are all good and he would feel comfortable with any one of them. There was further discussion as to the benefits of having local counsel in that costs would be lower and contact would be easier. Cliff Strassenburg advised there would be working meetings and they would take place in Raleigh.

Johnnie Evans stated he felt Hunton and Williams would make a good choice.

Marshall Faircloth pointed out the fact that Hunton and Williams had not quoted all costs that would be involved as some of the others had done.

G.B. Johnson stated that the big question is the reputation of the firm. Bond buyers are very interested in the reputation of the bond counsel. There is not alot of legal work involved, but if the firm is a fly-by-night

operation, it would give him the burden of cleaning up any mess they might make. A good reputation is very important when selecting bond counsel. By stating a firm has a good reputation, you are saying they don't make mistakes and produce quality work. There is accuracy in their documentation.

MOTION: Committee Member Billy King offered a motion to select Hunton and Williams as bond counsel.

SECOND: Committee Member Johnnie Evans

DISCUSSION: Marshall Faircloth stated he would oppose choosing Hunton and Williams and noted again they only gave an estimate for their fee and were not willing to commit to their out-of-pocket expenses.

VOTE: Favor - Billy King and Johnnie Evans
Oppose - Marshall Faircloth

2. Review of Proposals for Underwriters for Hospital Revenue Bond Refinancing.

Cliff Strassenburg briefed the committee members on the information received in the proposals. He gave information as to the county's experience with some of these firms that had worked on bonds for the county in prior years. He called their attention to the fact that some proposals were submitted for co-managers.

Marshall Faircloth asked if there would be a need for co-managers.

Cliff Strassenburg stated we will want to market the bonds expeditiously and to as many people as possible. There may be some co-managers that specialize in this area.

Torrey Johnson stated that they used three co-managers last time. There will be a selling group in any case. They wanted to sell as many bonds as possible in North Carolina the last time and based on what he has been told, we can accomplish what we want in a selling group or with co-managers. The LGC prefers co-managers and it does not make a change in the cost.

MOTION: Committee Member Billy King offered a motion to select Shearson-Lehman Brothers as lead underwriters based on their past experience and price.

SECOND: Committee Member Marshall Faircloth

DISCUSSION: Marshall Faircloth asked if they will need to make a co-manager decision later. Torrey Johnson advised that they can work on that with Shearson-Lehman Brothers and then present the co-managers to the committee. Mr. Strassenburg advised that they can invite Shearson-Lehman Brothers to come in and discuss the co-managers with them. Johnnie Evans asked if they needed to discuss the co-managers now. Mr. Johnson advised they did not. Mr. Strassenburg stated that he feels this should be discussed with Shearson-Lehman Brothers.

VOTE: Unanimous

4. Other Committee Concerns.

Cliff Strassenburg suggested they invite Shearson-Lehman Brothers to speak with the committee as soon as possible.

The board called for a special meeting on Thursday, February 18, 1993 at 4:30 PM at Cape Fear Valley Medical Center prior to the Hospital Finance Committee Meeting at 5:30 PM that same day.

Meeting adjourned at 5:30 PM.