

**BAKER CORRECTIONAL DEVELOPMENT CORPORATION**  
**&**  
**BAKER COUNTY CORRECTIONS MANAGEMENT CORPORATION**

**Regular Board Meetings**  
**Minutes**

**Wednesday, Wednesday, August 9<sup>th</sup>, 2017 - 1:00 PM**  
**Baker County Sheriff's Office – Training Room**

The meeting was Called to Order at 1:08p.m.

Board Members Present were: Ed Barber, Mark Broughton, Chris Gazes and Sharon Padgett.

Invocation was led by S. Padgett and the Pledge of Allegiance was led by E. Barber.

Approval of the Agenda A Motion was made by S. Padgett to approve the agenda, second by C. Gazes – unanimously approved.

Public Hearing Related to the Acquisition Financing Application of the BCCMC: At 1:12p.m., the Chair opened a Public Hearing which was duly noticed in the Baker County Press on July 27, 2017, inviting the public to attend, ask questions and provide comment. The Chair explained how bonds were issued in 2008 to build the current facility and due to the higher interest rate, the Board was looking to secure debt financing at a more favorable interest rate. The Chair explains the timeline of the U.S.D.A. acquisition financing. The loan would be for a period of thirty years. The Chair also explains the formation of the Baker County Corrections Management Corporation and how the Baker Correctional Development Corporation will sell all real property and intangible property and tangible property owned by the BCDC to the BCCMC.

Joel Addington asks when the non-profit will be referred to as the BCCMC. Attorney Komando explains how following the closing and after the sale of all assets, and the redemption of the bonds, the BCDC would be dissolved and the BCCMC would control the facility.

No further comment or questions were brought forward.

The Public Hearing was closed at 1:21p.m.

Consent Agenda – Minutes were unanimously approved for the July 12<sup>th</sup>, 2017, Regular Meeting and the July 26<sup>th</sup>, 2017 Regular Meeting.

Public Comment – the public was invited to comment, County Manager asked a question about the legal description for the Commercial Contract.

Amending Operating Agreement with BCSO – The Chair explained the progress made at the prior meeting and Mr. Givens suggested a change on Page 10, Section 4.07 delete “a”; and suggest , “The Sheriff shall annually provide to the Board a compliance assurance certification ensuring auditing controls were adhered to as part of the annual auditing statement” (perhaps in Section 4.08). Givens also suggests the Board formally adopt the proposed auditing controls. A motion to approve the Agreement as amended was made by C. Gazes, a second was made by S. Padgett – approved unanimously.

Update Regarding Financing / Acquisition Status and Needs – The Board reviewed the memo from C. Gazes who explained the memo. The Board discusses future considerations which may occur under the new debt financing.

The Board also discussed separate financing of the 10% of the total loan amount as suggested by Raymond James. First Federal appears to be willing and able to provide the financing. C. Gazes appreciates the ability to stay local. With Board consensus, the Chair will continue to pursue.

C. Gazes discussed the Capital Budget required by the appraiser and the need to account for depreciation expenses by way of a five year floating balance / capital budget. This proposed capital budget would be reviewed annually. C. Gazes also reviewed the support documents provided by department heads. Discuss the air conditioning units as an example. WW Gay is working on a report to advise the board of what needs to be done now, and what are the likely life expectancy timeframes for each unit. The capital budget is not to commit to spending the money, but only to put the money aside.

M. Broughton discussed some of the Information Technology needs [e.g. analog to digital, spinning discs to solid state drives, 10 x 100 megabit switches require additional bandwidth].

The Board continues to discuss strategies to alleviate cash flow issues and the differences with the anticipated financing compared to the current bond payment structure. Additionally, the Board discussed the debt reserve accounts.

A motion was made by S. Padgett to approve the capital budget, C. Gazes seconded the motion – unanimously approved

R. Komando advises of the need for a Commercial Contract as part of the USDA application for the sale of real property and assets from the BCDC to the BCCMC. R. Komando added that the current contract will most likely require amendment as the final financing amounts are determined. P. Dame also explained the purchase price as being related to the redemption cost of the bonds.

A motion was made by C. Gazes to authorize the execution of the Commercial Contract in the same or a similar format, S. Padgett seconded the motion – unanimously approved

The Board discussed the status of the Appraisal. The Board was advised that Friday is the deadline in order to provide all documents necessary as part of the financing application. A motion was made by C. Gazes to authorize the Chair to finalize the Feasibility study and Appraisal thereafter sending the documents to Raymond James, a second was made by M. Broughton – unanimously approved.

The Board discussed any final needs for the financing application. Also discuss the affidavit for the notice of the public hearing. J. Cox will look for and send to Raymond James.

A motion was made by C. Gazes to authorize the Chair to execute the Operating Management Agreement on behalf of the BCCMC, or by assignment, a second was made by S. Padgett – unanimously approved.

Sheriff's Comments – no comment.

#### Board Comments

- Next meeting date – August 23<sup>rd</sup>, 2017, at 1:00p.m.

The meeting was adjourned.