

BILL C. PEACOCK
Director - Purchasing



DOUGLAS COUNTY BOARD OF COMMISSIONERS
PURCHASING DEPARTMENT

8700 Hospital Drive • Douglasville, GA 30134
Telephone (770) 920-7247 • Fax (770) 920-7219

May 17, 2017

Subject: Douglas County, Georgia, Board of Commissioners
Invitation to Bid – Tax Anticipation Note (TAN)
Solicitation No. 17-016

Dear Ladies & Gentlemen:

Enclosed please find the Douglas County Board of Commissioners Invitation to Bid for a borrowing of \$12,000,000.00 Tax Anticipation Note.

The bid due date is June 2, 2017 at 1:00 PM ET, at the Douglas County Courthouse, Purchasing Bid Opening Room, Third Floor, 8700 Hospital Drive, Douglasville, Georgia. You are invited to attend, or submit your bid prior to the deadline. Bids may be mailed or hand delivered. **Bids will be opened at 1:00 PM, ET.**

Should you have any questions regarding this Invitation to Bid, please submit your questions in writing to the Purchasing Director. Questions may be submitted via facsimile or email to bpeacock@co.douglas.ga.us. Our most recent Financial Reports (2015) can be found on the County's website at www.celebratedouglascounty.com, under the Finance Department.

Please submit your bid on this requirement in accordance with the instructions contained herein. The TAN Documents enclosed will be the official documents for this borrowing. All documents herein, including this letter are hereby a part of this Invitation to Bid Document.

Thank you in advance for your interest and we look forward to your participation.

Sincerely,

Bill C. Peacock
Director, Purchasing

Attachments

DOUGLAS COUNTY GEORGIA BOARD OF COMMISSIONERS
INVITATION TO BID
TAX ANTICIPATION NOTE (TAN)
Purchasing Department
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On May 17, 2017, the Douglas County Board of Commissioners will close a borrowing of **\$12,000,000.00** in exchange for a Tax Anticipation Note (TAN), accompanied by appropriate County resolutions, legal opinions, and non-arbitrage certificate. The amount of the TAN borrowing has been calculated in accordance with IRS regulations and complies with Section 148 of the Internal Revenue Code of 1986, as amended. The Bid Documents are available on the Douglas County website at www.celebratedouglascounty.com under the Purchasing Department.

Accordingly, you are invited to submit your bid on the following item:

1. Interest rate to be paid by Douglas County on a \$12,000,000.00 Tax Anticipation Note dated June 13, 2017, with a maturity date of December 31, 2017.

In respect to the Tax Anticipation Note borrowing, Douglas County will accept the bid with the lowest interest rate. In the event of equal bids, the bid received earliest by the County will be the accepted bid. The bid will be awarded on an independent basis, depending on the best offer for the TAN.

This solicitation covers a **bank qualified** borrowing. Douglas County reserves the right to waive informalities, to reject any and all bids, to accept portions of a bid, and to accept any bid which, in its opinion, may be in the best interest of the County.

All information for interested bidders may be obtained at the office of the **Douglas County Purchasing Director, located on the third floor of the Douglas County Courthouse, 8700 Hospital Drive, Douglasville, Georgia** or on the Douglas County website, www.celebratedouglascounty.com under the Purchasing Department.

One (1) unbound original and three (3) copies of the bids may be mailed or hand delivered to the Purchasing Director's Office at the address above no later than **1:00 p.m., June 2, 2017**, so they may be included among those read at the Douglas County Courthouse. Each response should be marked: **"Sealed Bid – 2017 TAN, Solicitation No. 17-016 for Douglas County, 6/2/2017"**.

All bids must include any and all fees associated with the institutions handling of this matter that will be charged to Douglas County. If additional fees will not be charged to the County, bids shall include a statement that addresses this issue. All bids shall be submitted using the provided bid response form.

No bid will be received or accepted after the above specified date and time of the bid opening.

All bids shall be held firm for 30 days from due date. Douglas County will provide all TAN Documents in association with this borrowing. These TAN Documents as provided by Douglas County will be the official documents for this borrowing. Further, Douglas County will not be the "paying agent" for this activity.

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A RESOLUTION OF THE BOARD OF COMMISSIONERS OF DOUGLAS COUNTY PROVIDING FOR THE ISSUANCE AND SALE OF A TAX ANTICIPATION NOTE IN THE PRINCIPAL AMOUNT OF \$12,000,000 AND FOR OTHER RELATED PURPOSES:

WHEREAS, Douglas County, Georgia (the "County") is authorized by Article IX, Section V, Paragraph V of the Constitution of the State of Georgia to obtain temporary loans to pay current expenses provided certain conditions are satisfied; and

WHEREAS, the County proposes to issue a tax anticipation note in the principal amount of \$12,000,000 (the "Note") in order to pay current expenses for calendar year 2017 in anticipation of the receipt of taxes levied or to be levied for the County's General Fund (the "General Fund"); and

WHEREAS, the County proposes to authorize the sale of the Note to _____ (the "Purchaser") for the purchase price of 100% of par.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Douglas County (the "Governing Body") and it is hereby resolved by authority of the same, as follows:

Section 1. Findings. The Governing Body hereby finds and determines as follows: (a) there are no other temporary loans or other contracts, notes, warrants or obligations for current expenses which have been issued by the County in calendar year 2017; (b) the principal amount of the Note does not exceed 75% of the total gross income from taxes collected by the County in calendar year 2016; (c) the aggregate principal amount of the Note, together with other contracts, notes, warrants or obligations of the County for current expenses in calendar year 2017, do not exceed the total anticipated tax revenues of the County for calendar year 2017; (d) no temporary loan or other contract, note, warrant or other obligation for current expenses incurred in calendar year 2016 or any prior calendar year remains unpaid as of the date hereof; and (e) a need exists for the County to borrow \$12,000,000 to pay current expenses of the County in calendar year 2017 prior to the receipt of sufficient revenues from taxes levied or to be levied for the General Fund for 2017.

Section 2. Authorization of Note. There is hereby authorized to be issued the Note in the principal amount of \$12,000,000. The Note shall be designated as the "Douglas County, Georgia Tax Anticipation Note, Series 2017," shall be issued as a fully registered note numbered R-1 upward, shall be dated as of its date of issuance, shall bear interest at the rate of

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____% per annum (calculated on the basis of the actual number of days elapsed in a 360-day year), shall be payable as to principal and interest in lawful money of the United States of America to the person who is the registered owner of the Note on December 15, 2017, shall be numbered R-1 upward and shall mature and together with accrued interest shall be payable on December 31, 2017.

The Note shall be executed by the manual or facsimile signature of the Chairman or Vice Chairman of the Governing Body and by the manual or facsimile signature of the Clerk of the Governing Body, and the corporate seal of the County shall be impressed or imprinted thereon. In case any officer whose signature shall be affixed to the Note or who shall have sealed the Note shall cease to be such officer before the Note so signed and sealed shall have been actually delivered, the Note, nevertheless, shall be a valid Note of the County and may be delivered as such notwithstanding the fact that such officer or officers may have ceased to be such officer or officers of the County when the Note shall be actually delivered.

Section 3. Approval of Form of Note. The Note shall be issued in substantially the form attached hereto as Exhibit A with such changes, insertions or omissions as may be approved by the Chairman or Vice Chairman of the Governing Body, and the execution and delivery of the Note shall be conclusive evidence of such approval.

Section 4. Designation of Paying Agent. The County's Finance Director is hereby designated as Paying Agent, Note Registrar and Authenticating Agent with respect to the Note.

Section 5. Tax Revenues Used to Repay Note; General Obligation. The County agrees to use tax revenues received by the County from the levy of taxes for the General Fund and any other legally available funds to pay amounts owing under the Note. The indebtedness to be evidenced by the Note is a general obligation of the County, and the full faith and credit of the County are hereby pledged to secure the payment of the principal of and interest on the Note.

Section 6. Authentication of Note. The Note as originally issued and all Notes issued in connection with a registration of transfer shall not be valid for any purpose unless and until a certificate of authentication substantially in the form set forth in the form of the Note shall be duly executed by the Note Registrar.

Section 7. Transfer and Exchange of Note. The Note Registrar shall cause to be kept books for the registration of transfer of the Note. The Note may be registered as transferred on the books of registration by the registered owner thereof in person or by his duly

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authorized attorney, upon surrender thereof, together with a written instrument of transfer executed by the owner or his duly authorized attorney. Upon surrender for registration of transfer of the Note to the Note Registrar, the County shall execute, and the Note Registrar shall authenticate and deliver in the name of the transferee, a new Note numbered consecutively in order of issuance according to the records of the Note Registrar. Such registration of transfers shall be without charge to the owner of such Note, but any tax or other governmental charge, required to be paid with respect to the same shall be paid by the owner of the Note requesting such transfer as a condition precedent to the exercise of such privilege.

Except as provided in Section 9 hereof, the Note may not be exchanged.

Any Note surrendered upon any transfer provided for in this resolution shall be promptly cancelled by the Note Registrar and shall not be reissued. Upon request of the County a certificate evidencing such cancellation shall be furnished by the Note Registrar to the County.

Section 8. Registered Owners. The person in whose name the Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of either principal or interest shall be made only to or upon the order of the registered owner thereof or his duly authorized attorney, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Note to the extent of the sum or sums so paid.

Section 9. Mutilated or Destroyed Note. In case the Note shall become mutilated or be destroyed or lost, the County may cause to be executed, authenticated and delivered a new Note in exchange or substitution for such Note upon, in the case of a mutilated Note, surrender of such Note, or in the case of a destroyed or lost Note, the owner filing with the County, the Paying Agent and the Note Registrar evidence satisfactory to them that such Note was destroyed or lost and providing indemnity satisfactory to them, provided that if the owner of such destroyed or lost Note is the initial purchaser of the Note or has a minimum net worth of at least \$25,000,000, such person's own unsecured agreement of indemnity shall be deemed to be satisfactory. If the Note shall have matured, instead of issuing a new Note, the County may pay the same.

Section 10. Prepayment. The Note is subject to payment prior to maturity in whole or in part at any time without penalty.

Section 11. Tax Covenants and Representations. The Note is being issued by the County in compliance with the conditions necessary for the interest income on the Note to be excludable from gross income for federal income taxation pursuant to the provisions of Section

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103(a) of the Internal Revenue Code of 1986, as amended (the “Code”). It is the intention of the County that the interest on the Note be and remain excludable from gross income for federal income tax purposes, and, to that end, the County hereby covenants with the owner of the Note, as follows:

(a) It will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the tax-exempt status of the interest on the Note under Section 103 of the Code.

(b) It will not directly or indirectly use or permit the use of any proceeds of the Note or any other funds of the County or take or omit to take any action in a way that would cause the Note to be (i) a “private activity bond” within the meaning of Section 141 of the Code, (ii) an obligation which is “federally guaranteed” within the meaning of Section 149 of the Code or (iii) a “hedge bond” within the meaning of Section 149 of the Code.

(c) It will not directly or indirectly use or permit the use of any proceeds of the Note or any other funds of the County or take or omit to take any action that would cause the Note to be an “arbitrage bond” within the meaning of Section 148 of the Code. To that end, the County will comply with all requirements of Section 148 of the Code to the extent applicable to the Note.

Section 12. Approval of Tax Documents. The Chairman of the Governing Body and the Vice Chairman of the Governing Body are hereby authorized to execute on behalf of the County a Tax and Non-Arbitrage Certificate to assure the owner of the Note and Murray Barnes Finister LLP, Bond Counsel, that the interest on the Note will remain excludable from gross income for federal income tax purposes and that the proceeds of the Note will not be used in a manner which would result in the Note being an “arbitrage bond” within the meaning of Section 148 of the Code. The Chairman of the Governing Body or Vice Chairman of the Governing Body is further authorized to execute on behalf of the County an Internal Revenue Service Form 8038-G “Information Return for Tax-Exempt Governmental Obligations” related to the issuance of the Note.

Section 13. General Authority. From and after the date of adoption of this resolution, any member of the Governing Body and the officers, employees and agents of the County are hereby authorized to do such acts and things, and to execute and deliver all such certificates or agreements as may be necessary or desirable in connection with the issuance of the Note. Without limiting the foregoing, the Vice Chairman of the Governing Body is authorized to execute any and all documents on behalf of the Chairman of the Governing Body, and the

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Assistant Clerk of the Governing Body is authorized to execute any and all documents on behalf of the Clerk of the Governing Body. All actions of the Governing Body, officers, employees or agents of the County taken in connection therewith prior to the date hereof are hereby ratified and confirmed.

Section 14. Sale of Note. The sale of the Note to the Purchaser for the price of 100% of par is hereby approved.

Section 15. Information. The County shall provide the Purchaser of the Note with such information as the Purchase shall reasonably request.

Section 16. Repeal of Conflicting Resolutions; Effective Date. This resolution shall be in full force and effect immediately upon its adoption, and any and all resolutions or parts of resolutions in conflict with this resolution shall be, and they are, to the extent of such conflict, hereby repealed.

Adopted and approved by the Board of Commissioner of Douglas County on June 6, 2017.

DOUGLAS COUNTY, GEORGIA

(SEAL)

By: _____
Chairman

Attest:

Clerk

**DOUGLAS COUNTY GEORGIA BOARD OF COMMISSIONERS
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EXHIBIT A
 FORM OF NOTE

UNITED STATES OF AMERICA

STATE OF GEORGIA

DOUGLAS COUNTY, GEORGIA
 TAX ANTICIPATION NOTE,
 SERIES 2017

No. R-1

| <u>Maturity Date</u> | <u>Principal Amount</u> | <u>Date of Original Issue</u> |
|----------------------|-------------------------|-------------------------------|
| December 31, 2017 | \$12,000,000 | June 13, 2017 |

KNOW ALL MEN BY THESE PRESENTS: DOUGLAS COUNTY, GEORGIA, a political subdivision of the State of Georgia (the “County”), for value received, hereby promises to pay the registered owner (initially _____) or its successors or assigns the principal amount set forth above, together with interest thereon at the rate of ____% per annum (calculated on the basis of the actual number of days elapsed in a 360-day year), in immediately available funds, on the Maturity Date set forth above. Both principal and interest shall be paid in lawful money of the United States of America to the person that is the registered owner of this note on December 15, 2017. All payments on this Note shall be made at the place and in the manner that that registered owner of this Note shall designate in writing to the County. The County also promises to pay any amounts expended by the registered owner of this Note in connection with the collection of amounts owed hereunder, including, but not limited to reasonable attorneys’ fees.

This Note is authorized by a resolution (the “Resolution”) duly adopted by the Board of Commissioners of Douglas County (the “Governing Body”) on June 6, 2017 in accordance with Article IX, Section V, Paragraph V of the Constitution of the State of Georgia, for the purpose of paying pay current expenses of the County in calendar year 2017 prior to the receipt of sufficient revenues from taxes levied or to be levied for the General Fund for 2017. The terms and provisions of the Resolution ae by this reference thereto incorporated herein. All

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capitalized terms used but not defined herein shall have the meanings assigned to them in the Resolution.

This Note is subject to payment prior to maturity in whole or in part at any time without penalty.

The indebtedness evidenced by this Note is a general obligation of the County, and the full faith, credit and taxing power of the County have been pledged to secure the payment of the principal of and interest on this Note.

This Note may be registered as transferred by the registered owner hereof in person or by the owner's attorney duly authorized in writing, but only in the manner, subject to the limitations specified in the Resolution, and upon surrender and cancellation of this Note. Upon such registration of transfer, a new note will be issued to the transferee in exchange therefor. No service charge shall be made for any registration of transfer, but the Paying Agent may require payment of a sum sufficient to cover any tax or other governmental charge as a condition precedent to the exercise of such privilege.

Except for exchanges of mutilated notes provided in the Resolution, this Note may not be exchanged.

The person in whose name this Note is registered shall be deemed and regarded as the absolute owner hereof for all purposes, and payment of or on account of either principal or interest made to such registered owner shall be valid and effectual to satisfy and discharge the liability upon this Note to the extent of the sum or sums so paid.

If a court of competent jurisdiction determines that any term or provision of this Note is invalid or prohibited by applicable law, the term or provision will be ineffective to the extent required and will be severed from the remaining terms and provisions of this Note without invalidating the remaining terms and provisions.

This Note and the Resolution represent the final agreement of the County and the owner of this Note and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements.

This Note may only amended in writing, and all such amendments shall be approved by the owner of this Note in writing.

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This Note shall be governed by the laws of the State of Georgia except to the extent that federal law preempts Georgia law.

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State of Georgia to be done precedent to or as a condition to the issuance of this Note have been properly done, have happened and have been performed in the manner required by the Constitution and laws of the State of Georgia; that the tax levies in anticipation of which this Note is issued are or will be valid and legal levies; that the County will use a sufficient amount of the proceeds of such tax levies and other available funds for the payment of this Note and the interest hereon; and that this Note, together with all other indebtedness of the County, is within every debt or other limit provided by the Constitution and laws of the State of Georgia.

IN WITNESS WHEREOF, the County acting by and through its Governing Body, has caused this Note to be executed in its corporate name by the manual signature of the Chairman of the Governing Body, and attested by the manual signature of the Clerk of the Governing Body and the corporate seal of the County to be impressed or imprinted hereon, all as of the date of original issue as shown above.

DOUGLAS COUNTY, GEORGIA

(SEAL)

By: _____
Chairman

Attest:

Clerk

**DOUGLAS COUNTY GEORGIA BOARD OF COMMISSIONERS
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CERTIFICATE OF REGISTRATION

The principal of and interest on this Note are payable by the Finance Director of the County as Paying Agent directly to the registered owner by mail at the address shown below, or, as otherwise directed in writing to the Finance Director of the County by the registered owner. No transfer hereof shall be effectual unless made on the books of the Note Registrar by the registered owner, or his attorney, and noted hereon.

| <u>REGISTRATION</u> | <u>NAME AND ADDRESS OF REGISTERED OWNER</u> | <u>BOND REGISTRAR</u> |
|---------------------|---|---------------------------|
| June 13, 2017 | _____ [To be Provided] | _____ Finance Director |

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CERTIFICATE OF AUTHENTICATION

This is the Note described in the within mentioned authorizing resolution of Board of Commissioners of Douglas County adopted on June 6, 2017, and is hereby authenticated.

FINANCE DIRECTOR, as Note Registrar

By: _____
Jennifer Hallman

Date of Authentication: June 13, 2017

* * * * *

**DOUGLAS COUNTY GEORGIA BOARD OF COMMISSIONERS
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ASSIGNMENT FOR TRANSFER

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers
unto

PLEASE INSERT SOCIAL SECURITY
OR OTHER IDENTIFYING NUMBER
OF ASSIGNEE

the within Note of Douglas County, Georgia and does hereby constitute and appoint
_____ attorney to transfer the said Note on the books of the Note Registrar,
with full power of substitution in the premise.

Date:

In the presence of: _____

Noteholder

NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

* * * * *

**DOUGLAS COUNTY GEORGIA BOARD OF COMMISSIONERS
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CLERK'S CERTIFICATE

The undersigned does hereby certify that the foregoing pages of typewritten matter constitute a true and correct copy of a resolution pertaining to the Douglas County, Georgia Tax Anticipation Note, Series 2017 in the principal amount of \$12,000,000, which resolution was duly adopted at a meeting of the Board of Commissioners of Douglas County (the "Governing Body"), which was duly called and assembled on June 6, 2017, which was open to the public, and at which a quorum was present and acting throughout and that the original of said resolution appears of record in the minute book of the Governing Body which is in my custody and control, and that said resolution has not been amended, repealed, revoked or rescinded as of the date hereof.

Given under my hand and the seal of the Governing Body, this 6th day of June, 2017.

(SEAL)

Clerk

DOUGLAS COUNTY BOARD OF COMMISSIONERS
Purchasing Department
TAX ANTICIPATION NOTE (TAN)
Solicitation No. 17-016
INVITATION TO BID – BID SHEET
June 2017

The _____ wishes to submit the
(Proposing Institution)

Following bid with regard to the June 13, 2017, Douglas County Tax Anticipation Note (TAN) Invitation to Bid documents:

1. **Tax Anticipation Note**, dated June 13, 2017, maturing December 31, 2017.

Amount: **\$12,000,000.00** (Twelve Million Dollars and No/100)

Bid: % _____

Institution: _____

Authorized Signature: _____

Printed Name: _____ Federal Tax ID #: _____

Title: _____ Date: _____

Telephone/Email Address: _____

Douglas County Board of Commissioners
Tax Anticipation Notes
Maximum Cumulative Surplus/Deficit Computation
For Fiscal Year 2017

| Month 2017 | Beginning Balance | Cash Receipts | Cash Disbursements | Cumulative Surplus (Deficit) |
|------------|-------------------|---------------|--------------------|------------------------------|
| January | \$ 31,603,104 | 5,138,694 | (7,571,640) | \$ 29,170,158 |
| February | 29,170,158 | 5,086,913 | (7,493,042) | 26,764,029 |
| March | 26,764,029 | 3,836,156 | (10,165,463) | 20,434,722 |
| April | 20,434,722 | 3,842,018 | (8,148,800) | 16,127,940 |
| May | 16,127,940 | 3,983,800 | (9,011,500) | 11,100,240 |
| June | 11,100,240 | 4,097,700 | (9,448,800) | 5,749,140 |
| July | 5,749,140 | 3,943,000 | (9,248,800) | 443,340 |
| August | 443,340 | 3,905,100 | (9,887,500) | (5,539,060) |
| September | (5,539,060) | 5,064,800 | (8,448,800) | (8,923,060) |
| October | (8,923,060) | 17,815,700 | (7,748,800) | 1,143,840 |
| November | 1,143,840 | 35,411,100 | (8,011,500) | 28,543,440 |
| December | 28,543,440 | 4,885,500 | (12,831,746) | 20,597,194 |

The Maximum Cumulative Cash Flow Deficit equals \$8,923,060 (Maximum Cumulative Surplus/Deficit for 2017 plus working capital reserve equal to the lesser of (i) 5% of previous year's General Fund expenditures or (ii) the historical average balance for the previous year.

| | | | | |
|---|----------------------|-------------------|----|-----------------------|
| Cumulative Surplus/Deficit for 2017 | | | | \$ (8,923,060) |
| PLUS Working Capital Reserve (lesser of): | | | | |
| (i) | 2016 Expenditures | 86,770,812 | 5% | \$ 4,338,541 |
| (ii) | 2016 Average Balance | | | \$ 20,590,039 |
| Maximum Cumulative Cash Flow Deficit | | | | \$ 13,261,601 |