

Commissioners' Journal
October 23, 2012

The Geauga County Board of Commissioners met in session on October 23, 2012 at 10:00 a.m. in the Commissioners' Chambers located at 470 Center Street in Chardon, Ohio.

It is declared and determined that all formal actions of the Board of County Commissioners concerning and relating to the adoption of all resolutions that were adopted in this meeting, and that all deliberations of the Board of County Commissioners that resulted in such formal action were open to the public and were in compliance with all legal requirements, including section 121.22 of the Ohio Revised Code.

The President of the Board, Mary E. Samide opened the meeting at 10:01 a.m. by leading the Board and audience in reciting the Pledge of Allegiance.

APPROVE MINUTES

Motion: by Commissioner Claypool, seconded by Commissioner Jemison to approve and execute the minutes for the meeting of October 18, 2012.

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| <i>Roll Call Vote:</i> | <i>Commissioner Claypool</i> | <i>Aye</i> |
| | <i>Commissioner Jemison</i> | <i>Aye</i> |
| | <i>Commissioner Samide</i> | <i>Aye</i> |

APPROVE FINANCIALS

Budget and Finance Administrator Heidi Delaney explained the financials for today as including Supplemental Appropriations for the Sheriff's Concealed Handgun License fund for additional appropriations for applications and the Transit Department's Capital Fund to put appropriations in place to repay the advance that was made from the General Fund; a Cash transfer into the General Fund for payment of 4th quarter cost allocation fees for the Sheriff's 911 Program Fund, Cash transfers out of the General Fund for payment of quarterly gas well allotment proceeds to the Board of Developmental Disabilities and for the 2012 principal payment for the Human Services Building Improvement Bond; a Contract for Jack Gibson Construction Company for the Infirmary Creek WWTP Improvement project change order # 4 in the amount of \$57,351.85; and Travel requests for the Auditor's Office and the Common Pleas Court.

Motion: by Commissioner Claypool, seconded by Commissioner Jemison to approve and execute Resolution #12-183 itemizing the financials for the meeting of October 23, 2012.

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| <i>Roll Call Vote:</i> | <i>Commissioner Claypool</i> | <i>Aye</i> |
| | <i>Commissioner Jemison</i> | <i>Aye</i> |
| | <i>Commissioner Samide</i> | <i>Aye</i> |

OFFICE OF COMMUNITY AND ECONOMIC DEVELOPMENT – OHIO WATER POLLUTION CONTROL LOAN FUND HOME SEWAGE TREATMENT SYSTEM IMPROVEMENTS PRINCIPAL FORGIVENESS PAYMENT REQUEST #4 FORM

Program Administrator Joni Stusek stated that this pay request is part of the current EPA grant program, and that this particular project is to assist an 80-year old gentleman. Ms. Stusek explained that they had received approval from the Health District, but after the installation of the new system were told of some post-install issues that have since been addressed with the system per the requirement by the Health District. Ms. Stusek stated that a change order for about \$500.00 will be coming through session in the following weeks, noting that some of the leach lines had to be extended and reconfigured. Ms. Stusek stated that the homeowner paid 15 percent of the project cost to the installer for the original price, and will need to contribute his 15 percent on the cost of the modifications that were required by the Health District. It was noted that original board approval for this project was granted earlier in the year; Commissioner Claypool stated that he would be abstaining since he hadn't been involved in the previous actions taken for this project.

Motion: by Commissioner Jemison, seconded by Commissioner Samide to approve and authorize the President of the Board to execute the Ohio Water Pollution Control Loan Fund Home Sewage Treatment System Improvements Principal Forgiveness Payment Request Form #4 for the installation of a septic system at 9626 Old State Road, Chardon, in the amount of \$13,379.00, under the EPA Water Pollution Control Loan Fund Household Sewage Treatment System Program.

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| Roll Call Vote: | Commissioner Claypool | Abstain |
| | Commissioner Jemison | Aye |
| | Commissioner Samide | Aye |

OFFICE OF COMMUNITY AND ECONOMIC DEVELOPMENT – SUBORDINATION AGREEMENT REAL ESTATE MORTGAGE – HEIDI M. LOVE NKA HEIDI M. MCARTHUR

Ms. Stusek explained that this subordination agreement was for a down payment assistance and home rehabilitation client who is refinancing. Ms. Stusek stated that this loan had been done through the CHIP program that has since been discontinued. In response to a question from Mr. Claypool, it was noted that no money is involved in this current action, just a refinancing with the county in the same position on the overall financing. It was also noted that this is a declining mortgage, under which the borrower is only obligated after eight years to pay back 20% of the amount loaned. Ms. Stusek stated that this client had a high credit score.

Motion: by Commissioner Claypool, seconded by Commissioner Jemison to approve and execute a Subordination Agreement Real Estate Mortgage for property located at 11334 Wilson Mills Road, Chardon owned by Heidi M. Love, nka Heidi M. McArthur (Under Grant #B-F-06-026-1) as the property is being refinanced.

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| Roll Call Vote: | Commissioner Claypool | Aye |
| | Commissioner Jemison | Aye |
| | Commissioner Samide | Aye |

COUNTY ENGINEER'S OFFICE – AWARD BID TO CLEVELAND BARRICADING SYSTEM, LLC – REPLACEMENT AND INSTALLATION OF HIGH INTENSITY ROADWAY SIGNS

Chief Deputy Engineer Joe Cattell explained that he was asking to award the bid to Cleveland Barricading System, LLC for the sign replacement, noting that the original estimate was \$250,000.00, and that this bid had come in at just over \$188,000.00. Mr. Cattell stated that the Engineer's office hadn't worked with them previously, but that they seem very competent and he looks forward to working with them. Mr. Cattell stated that this project is mainly for township roads in order to help the townships get into compliance.

Mr. Claypool stated that this is "the kind of nonsense" about which you have to reach out to elected state and federal representatives to express your opposition, the replacement of signs that don't need replaced; in his opinion, signs should only be replaced when they really need to be replaced. Mr. Cattell stated that some of these signs are substandard, and are under the old, less stringent sign reflectivity standard. Mr. Cattell expressed that some townships have just enough money to plow roads. Mr. Cattell added that while some signs do meet the old standard, some do not, and do need replacement. Mr. Claypool stated that the townships who can afford to do so should be paying for these signs themselves, and if there is a dangerous condition some may need to be replaced, but questioned who sets the standard and remarked that just because the standard changes, is that bad? Mr. Claypool stated that he was tired of the government changing standards, and now it is going to cost the county \$188,000.00, and referred to the debt clock that is currently over \$16 trillion of federal debt.

Commissioner Jemison posed the question that if there was an accident, if the county was liable? Mr. Claypool responded that two attorneys he had spoken to said that this was nonsense, that someone intent on filing a lawsuit will find a reason; Mr. Jemison responded that he would prefer they not find a reason. Commissioner Samide stated that being married to an engineer, that she knows that engineers will always talk about standards and tolerances; for other people this doesn't amount to anything, but standards are put into place by engineers for a reason; whether that reason is good or bad we are always worried about money, but that we need to defer to the engineers' expertise in these matters. Ms. Samide added that the computer world is continually changing standards as well. Mr. Cattell stated that the main reason given for the new reflectivity standards was the challenges posed by an aging population with a declining ability to see at night.

Motion: by Commissioner Claypool, seconded by Commissioner Jemison to award the bid to Cleveland Barricading System, LLC for the Replacement and Installation of High Intensity Roadway Signs on various County and Township Roads in the amount of \$188,351.00 as they represented the lowest and best bid. The Bid Bond submitted shall be held to serve as the Performance Bond for this project.

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| Roll Call Vote: | Commissioner Claypool | Aye |
| | Commissioner Jemison | Aye |
| | Commissioner Samide | Aye |

COUNTY ENGINEER' S OFFICE – FINAL PLAT – CANYON LAKE COLONY, PHASE 12-B

Mr. Cattell explained that this was a re-plat of a portion of Canyon Lakes, that the developer has now split one large lot into two, and had to wait for environmental review before they could proceed with the change.

Motion: by Commissioner Claypool, seconded by Commissioner Jemison to approve and execute the Final Plat for the Canyon Lake Colony, Phase 12-B Re-Subdivision of Sub Lot #335 in Bainbridge Township.

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| Roll Call Vote: | Commissioner Claypool | Aye |
| | Commissioner Jemison | Aye |
| | Commissioner Samide | Aye |

DEPARTMENT OF WATER RESOURCES – ACCEPT SANITARY SEWER LINE – HASKINS ROAD SEWER EXTENSION PROJECT

Assistant Sanitary Engineer Gerard Morgan explained that this was for a 465 foot extension of the existing sewer line, with two manholes to the property located at 17888 Haskins, adding that the homeowner had requested the extension and covered all of the costs. It was noted that this project was for sewer service only.

Motion: by Commissioner Claypool, seconded by Commissioner Jemison to approve and accept the Sanitary Sewer Line including all appurtenances for the Haskins Road sewer extension project, from the Pilgrim Village Subdivision to 17888 Haskins Road.

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| Roll Call Vote: | Commissioner Claypool | Aye |
| | Commissioner Jemison | Aye |
| | Commissioner Samide | Aye |

DEPARTMENT OF EMERGENCY SERVICES – APPROVE SUBMISSION OF APPLICATION FOR FUNDING – ROCKEFELLER FOUNDATION- FEMA 2012 COMMUNITY RESILIENCE INNOVATION CHALLENGE PROGRAM

Deputy Director Ken Folsom explained that he was requesting the board's approval to submit an application for a grant from the Rockefeller Foundation, and provided the board with a letter of recommendation from Ohio EMA Executive Director Nancy Dragani that they approve of this application. Mr. Folsom explained that the intent was not to burden the county budget in support of this program, which is to support an educational campaign that would make people aware of a need to plan for the handling of domestic animals during emergencies, and to have the tools and equipment available to support an emergency response. Mr. Folsom stated that the current response plan covering this issue is in draft form because they didn't want to formalize the plan until all resources were in place, but did note that there is a Memorandum of Understanding in place between the Commissioners, the Dog Warden, and the Geauga Humane Society / Rescue Village to assist with emergency response when necessary. Equipment planned for purchase from this grant would include portable cages that would be set up in the event of a disaster once the location for response is established.

Mr. Folsom cited estimated animal populations in the county, based on national ownership averages, including 23,609 dogs and 26,635 cats. Other estimates cited included over 3,000 birds, 7,000 cows, and approximately 8,000 horses, based on an estimate from the Quarter Horse Association. In response to an audience member who questioned what type of general emergency might be experienced in Geauga County, Mr. Folsom cited a tornado touchdown as an example of an occurrence that could cause widespread damage, and added that planning for care of animals during an emergency is part of a law known as the Stafford Act.

Comments were made by a number of audience members regarding what some considered the remote possibility of a major disaster occurring in Geauga County and the fact that these events cannot be predicted, just as the Chardon High School shootings would never have been predicted. An audience member who identified herself as a veterinarian stated that obviously, people come first, but in an emergency situation people panic and it is a proven fact in the

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Hurricane Katrina emergency, that people died because they would not leave their animals behind. Mr. Folsom referenced a tornado in Joplin, Missouri which virtually wiped out the town and resulted in the sheltering of hundreds of pets because many residents had no means left to house them. Mr. Folsom stated that it was his job to make sure Geauga County is prepared.

Mr. Claypool responded that this is definitely a complicated issue, but that we have to base our actions on facts, adding that he has been talking with FEMA, and the fact is there is now a law requiring us to put together a pet evacuation plan, having gotten the paragraph in question from the FEMA director, but as a matter of disclosure, his personal opinion is that FEMA has failed, and that he doesn't trust them; he trusts Mr. Folsom and the people at DES, but when FEMA imposes a mandate, he has a problem with that. Mr. Claypool then quoted part of the regulation, stating that all such plans take into account the needs of the people with household pets and service animals during an emergency, and added that in 2010, the county formed a team which has done this; the discussion today is whether we want to grow a bureaucracy. Mr. Claypool stated that he had done a survey of pet owners, farm owners, and normal citizens, and not one stated that they were in favor of government management of pet evacuation plans; to a person, they have said they think this is their own responsibility. Mr. Claypool stated that others may feel differently, and perhaps the county should do a survey. Mr. Claypool expressed that his broader concern is that we are distracting ourselves with animals rather than focusing on people. Mr. Folsom responded that this was not true, that the focus is on people, but their pets are part of this issue, to which Mr. Claypool replied that this is consuming resources on a distraction. Mr. Folsom stated that by forming a team of volunteers, they are not taking away responders; this will alleviate distraction of the professional responders. Mr. Claypool responded that the plan is complicated, as the law's definitions include one type of animal and not others, and one could argue that they are partial to their gerbil.

Ms. Samide asked what about the blind that depend on a sightseeing dog, and added that this is a \$30,000.00 grant that is given by a private individual for an effort that does not require government money to help in emergency response. Mr. Claypool stated that there needs to be accommodation for service animals, but it was mentioned that other emergency organizations like the Red Cross do get involved in emergency response as well; adding his concern over the danger of creating a bigger bureaucracy, what does this mean for tomorrow? Mr. Claypool stated that there is a lot of complication in this plan, and before we get too far along, we ought to talk about the practicality; that it is about the bigger picture of creating a bigger bureaucracy. The more distractions you have, the more people are put at risk. Mr. Claypool stated that he had spent a lot of time reviewing this issue and has had an ongoing conversation with FEMA, adding that he feels we have great responders, and will pat Mr. Folsom and Director Dale Wedge on the back for doing a great job. Mr. Folsom responded that we have a great responsibility to take care of people, and we have a team of volunteers with incomplete resources; the goal here is to free up the professional responders who can then concentrate on people. Mr. Claypool stated that volunteers do it best; Mr. Folsom responded that we need to give them the tools to do their job, including cages, catch equipment, dishes, anything we need to set the shelter up, and he intends to buy as much as he can with that grant.

Mr. Jemison added that what Mr. Folsom is saying is that this would provide tools without the taxpayers funding it, adding that we have to take into account pets, and posed the question, "what is 'taking into account?'" Mr. Jemison continued by saying that while he would take care of his own animals, not everyone is able to do so, and asked what happens in those cases when responders become imperiled because they are tied up helping with pets? In response to an audience member's comment that we never have had any issues here, Ms. Samide stated that we have been very lucky in having no major problems, but that this is something that will take care of emergencies that might occur in any given community, and that this program couldn't cover the entire county all at once. Ms. Samide added that we should pray to god it never happens, because the moment you say it, whoever thought we would have a school shooting? Mr. Jemison asked, shouldn't we try to mitigate the potential for problems?

In response to an audience comment asking whether pet owners shouldn't be responsible, Mr. Folsom stated that part of the grant money is to be used for the education of people to be responsible and better prepared. A point was made by an audience member that people will support their fire department even if they have never had a fire in their home. Mr. Folsom responded to a question from Ms. Samide about the animal cages that these items would be able to be stored over time and would last for at least 20 to 30 years. Mr. Jemison expressed frustration to Mr. Claypool that he has complained about the use of tax dollars, yet still

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complains when private money is used, and added that Mr. Folsom and the Department of Emergency Services still has to provide support with or without the grant. Ms. Samide added that she feels the DES staff has spent time researching the issues, and know what they are doing. In response to Mr. Claypool's expression of concerns about the animal response plan, Mr. Folsom stated that this plan was "Geauga-cized" from a state template, not something he just pulled out of the wind, and it is the product of a lot of research over the years. Mr. Claypool responded that he still has some concerns over the complexity of the plan and the effect it may have on helping people.

Motion: by Commissioner Jemison, seconded by Commissioner Samide to approve and authorize the Submission of an Application for funding from the Rockefeller Foundation, FEMA 2012 Community Resilience Innovation Challenge Program, to fully equip the Geauga County Animal Community Emergency Response Team (A-CERT) in the amount of \$30,000.00.

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| <i>Roll Call Vote:</i> | <i>Commissioner Claypool</i> | <i>No</i> |
| | <i>Commissioner Jemison</i> | <i>Aye</i> |
| | <i>Commissioner Samide</i> | <i>Aye</i> |

COMMISSIONERS' OFFICE – RESOLUTION AUTHORIZING AN AGREEMENT TO ISSUE SELF-SUPPORTING REVENUE BONDS TO REFUND OUTSTANDING SELF-SUPPORTING REVENUE BONDS RELATING TO FACILITIES OF SOUTH FRANKLIN CIRCLE AND AUTHORIZE AN AMENDMENT OF THE INDENTURE SECURING THE OUTSTANDING BONDS TO PERMIT THE RELEASE OF RESERVE FUNDS FOR THE DISCHARGE OF A PORTION OF THE OUTSTANDING BONDS

Present for this discussion were Cindy Dunn, President and CEO of South Franklin Circle and Judson Services, along with Barbara Hawley, and Pam Hanover from the legal firm of Squire, Sanders, (US) LLP. Ms. Samide noted that each of the Commissioners have had individual conversations with those present today regarding this request. Ms. Hawley stated that the resolution today is in regards to the issuance of tax-exempt debt, adding that the bonds had been secured by a letter of credit from Key Bank and others. The original bonds issued for this project were structured so that if they were not renewed, they would be sent back to the banks. South Franklin Circle has been engaged in conversations for a number of months to restructure this debt.

Ms. Hawley explained the process that first describes a plan for releasing money in the current debt service fund. The next prong of the restructuring is to issue \$41 million of tax-exempt bonds to a small group of investors, through Hamlin Capital Management. The third step is for South Franklin Circle to deliver notes to the banks in exchange for the current bonds. There is currently \$110 million in outstanding debt on the project, but only \$41 million is involved in the restructuring action before the Commissioners. The original financing was for \$155.1 million in 2007, which has been paid down to the \$110 million, currently outstanding. In the restructuring being sought, South Franklin Circle will pay out \$9.5 million from their current debt reserve, \$41 million will be raised from the new debt issuance, and the remaining \$59 million of the outstanding notes will be discounted by the five banks involved in the original debt issuance. Ms. Hawley concluded that therefore, the \$110 million worth of outstanding debt on the original conduit debt issued by the county will now be replaced with new conduit debt totaling \$41 million.

Ms. Samide expressed concern about who might be hurt by this restructuring, asking if any investor was losing part of their investment in a retirement fund or 401k due to this action. Ms. Hawley responded that these were strictly bank investments, and not packaged into any mutual funds, adding that the banks involved didn't want to hang in for the long term. Ms. Samide replied that being sensitive to the national financial crisis that occurred in 2008, this was her concern. Ms. Dunn responded that all the bond holders have been made whole.

Mr. Jemison asked Ms. Hanover, who has been the county's bond counsel for many years to go through "Conduit Debt 101." Ms. Hanover responded that tax exempt debt regulations issued under Internal Revenue Service code provide that when government issues debt, the interest paid purchasers including individuals and corporations for that debt is not taxed for federal purposes. The reason for that provision is to allow local government to be able to borrow at a lower interest rate, as compared to the interest rate offered on other debt on the market on which the interest paid is taxable. Ms. Hanover continued that the normal type of debt for local

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government is debt that is issued for buildings or equipment; that is one type of debt, for which the issuing government is directly responsible for repayment. The other type of public debt can be issued by a public entity such as a county for certain types of 501c3 nonprofits and for other limited uses, such as for airports, hospitals, education facilities, pollution control upgrades, etcetera. In those instances, the debt service is paid by the entity seeking the loan, not the governmental unit issuing the debt, and the documentation and expectation is referred to in the financial marketplace as conduit debt, where the public body is facilitator, not obligor of that debt. For this financing and subsequent debt restructuring for South Franklin Circle, the county had to be involved. Mr. Claypool stated for confirmation that South Franklin Circle will be responsible for paying the debt. Mr. Jemison added that Moody's does not look at conduit debt when they are reviewing and rating the county's financial strength, and Ms. Hanover added that this also doesn't affect the county's debt limit for financing its own projects.

Ms. Hanover stated that the new issuance of \$41 million will not be reinvested in by the banks involved in the prior financing. Ms. Hawley added that this new issuance will be purchased by high-net-worth individuals through Hamlin Capital, and one of the conditions imposed on prospective purchasers is that they get accredited investors, not a general member of the public who invests or any 401k investment fund; this will be a very limited sale, for which they already have identified probable buyers. One of the issues involved in this restructuring is that one of the five banks originally involved, Sovereign Bank, didn't want to go along with the previously-described discounting of the existing debt, but the other four banks do want to approve the restructuring, which involves going through a Chapter 11 package proceeding that should be concluded by the end of the year.

Ms. Samide asked if this issue arose because of the slower-than-expected occupation of the units at South Franklin Circle. Ms. Dunn responded that there are currently 167 people living there, but the application process has taken longer than had been originally planned, due to the slow economy. Mr. Claypool stated that he didn't recall the restructuring process being specifically described this way in his earlier discussion that he, as well as each of the other commissioners had been involved in on an individual basis with Ms. Dunn and the legal representation present today. Mr. Claypool had asked for confirmation that it is a given that the one bank will not cooperate; Ms. Dunn responded that it is very likely that a Chapter 11 process will be required to bring that bank to the table, but this action is a "prepack", a pre-packaged agreement prior to going through the process. Mr. Claypool asked for confirmation that there is no vendor or contractor involved in the South Franklin Circle project that won't get paid; Ms. Dunn replied that only the banks are taking a loss; Ms. Samide added that she had made certain of this in her previous individual discussions.

Mr. Jemison stated that South Franklin Circle is currently paying about \$1.3 million per year in property taxes, with most of that amount going to the Kenston School District; Ms. Dunn added that the current employee base supporting this operation stands at 73 FTE's (full-time equivalent employees). Ms. Samide remarked that in their initial discussions, they had expected to be largely property-tax exempt, but were still prepared to pay Bainbridge Township \$800,000.00 per year in payments in lieu of taxes for the services that the township provides. Ms. Dunn added that yes, to Mr. Jemison's point, they are trying to keep long-time local residents living in the area, post-retirement, and they also do open up the facility in other ways to the community, including offering memberships to their Fitness Center, with 56 Bainbridge residents currently enjoying a membership there at a price of \$42.00/month, discounted from the regular individual monthly rate of \$66.00. The restaurant is also open to the public for lunch 7 days per week, dinner on Tuesdays through Saturdays, and Sunday brunch. They also have a sizeable community meeting room, where they have hosted a number of Dialog Series presentations open to the public. Ms. Dunn noted that they had a good relationship with the residents of the Chagrin Falls Park development located just to the south of South Franklin Circle, and a lot of those residents are employees of South Franklin Circle. Ms. Dunn added that the request today gives South Franklin Circle "runway and breathing room to complete the project."

Mr. Claypool stated that he had received confirmation to two particular questions he had raised, one being that there is no liability to the Commissioners as individuals for agreeing to this action, and the other being that South Franklin Circle is paying the appropriate property taxes currently applicable, based on an income-basis appraisal. It was noted that South Franklin Circle operates on a fee basis for residents that includes an up-front fee that is 75% refundable once the resident no longer lives there, plus a monthly fee that covers many everyday living expenses. Mr. Jemison added for the record that the county instituted a policy to charge a

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\$5,000.00 fee for acting as the issuer of conduit debt, to offset the county's administrative expenses related to this process, and it was confirmed that South Franklin Circle had already paid this fee.

Motion: by Commissioner Claypool, seconded by Commissioner Jemison to approve and execute Resolution #12-184 Authorizing an Agreement to Issue Self-Supporting Revenue Bonds to Refund Outstanding Self-Supporting Revenue Bonds Relating to Facilities of South Franklin Circle and Authorizing an Amendment of the Indenture Securing the Outstanding Bonds to Permit the Release of Reserve Funds for the Discharge of a Portion of the Outstanding Bonds.

Board of County Commissioners, Geauga County, Ohio

Date: October 23, 2012
Resolution: 12-184

The Board of County Commissioners of the County of Geauga met on October 23, 2012, commencing at 10:00 o'clock, a.m., in regular session in the Commissioners' Chambers at 470 Center Street, Building No. 4, Chardon, Ohio, with the following members present:

Mary E. Samide

Tracy A. Jemison

Walter M. Claypool

The Clerk advised the Board that the notice requirements of Section 121.22 of the Revised Code and the implementing rules adopted by the Board pursuant thereto were complied with for the meeting.

Commissioner Claypool presented the following preambles and resolution and moved their adoption, which motion was duly seconded by Commissioner Jemison :

RESOLUTION NO. 12-184

A RESOLUTION AUTHORIZING AN AGREEMENT TO ISSUE SELF-SUPPORTING REVENUE BONDS TO REFUND OUTSTANDING SELF-SUPPORTING REVENUE BONDS RELATING TO FACILITIES OF SOUTH FRANKLIN CIRCLE AND AUTHORIZING AN AMENDMENT OF THE INDENTURE SECURING THE OUTSTANDING BONDS TO PERMIT THE RELEASE OF RESERVE FUNDS FOR THE DISCHARGE OF A PORTION OF THE OUTSTANDING BONDS.

WHEREAS, at the request of South Franklin Circle, an Ohio nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Corporation"), and pursuant to Ohio Revised Code Chapter 140 (the "Act") and Resolution No.07-177, adopted October 11, 2007, self-supporting revenue bonds were issued by the County in the original principal amount of \$155,100,000 (the "2007 Bonds") for the purpose of providing funds to pay a portion of the costs of constructing facilities to be used as residences by elderly persons under care and residency agreements with the Corporation providing accommodations, care and services (the "Project"); and

WHEREAS, the Project is located on an 87-acre site in Bainbridge and provides 199 independent living units, a residential care facility able to accommodate 44 people, and a health and wellness center used by residents of the Project and people who live in the surrounding communities; and

WHEREAS, the 2007 Bonds were secured by irrevocable letters of credit (collectively, the "Credit Facility") issued by KeyBank National Association ("KeyBank") under the terms of a Reimbursement Agreement dated as of October 1, 2007, as amended, between the Corporation and KeyBank, as administrative agent for a consortium of lenders (collectively, the "Banks"); the 2007 Bonds were purchased on October 1, 2012 from funds drawn under the Credit Facility pursuant to mandatory tender prior to the expiration of the Credit Facility, as required under the Trust Indenture dated as of October 1, 2007 securing the 2007 Bonds (the "Indenture") between the County, as issuer of the 2007 Bonds, and U.S. Bank National Association, as trustee; and the 2007 Bonds are now owned by or pledged to KeyBank, in its capacity as administrative agent for the Banks, as collateral to secure the obligation of the Corporation to reimburse the Banks for the draws on the Credit Facility to purchase the 2007 Bonds; and

WHEREAS, the Corporation, certain of the Banks and Hamlin Capital Management, LLC ("Hamlin"), on behalf of certain of its clients that are accredited investors or qualified institutional buyers (as defined in the Agreement referenced in Section 3 of this Resolution), seek to restructure the Corporation's debt evidenced by the 2007 Bonds under a plan of refinancing involving: (i) the use of funds held by the Trustee in debt service reserve funds established under

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the Indenture to discharge a portion of the 2007 Bonds prior to their stated maturity and thereby reimburse the Banks for a portion of the amount owed to them as a result of the draws on the Credit Facility, (ii) the issuance by the County for sale to Hamlin's clients of approximately \$41,000,000 of self-supporting, tax-exempt revenue bonds (the "2012 Bonds"), and (iii) the issuance by the Corporation of notes for sale to the Banks; and

WHEREAS, the 2012 Bonds will be payable solely from funds provided by the Corporation and will not be general obligations or bonded indebtedness of the County or a pledge of the faith and credit of the County; the owners of the 2012 Bonds will not have the right to cause the County to levy excises or taxes for the payment of the 2012 Bonds; and the owners of the 2012 Bonds will not have the right to seek any payment from funds of the County; and

WHEREAS, to facilitate its debt restructuring, the Corporation has requested the County to enter into an amendment of the Indenture, with the consent of the Banks constituting a majority of the holders of the outstanding 2007 Bonds, to permit the moneys on deposit in the debt service reserve funds held by the Trustee under the Indenture to be used immediately to discharge a portion of the 2007 Bonds prior to their stated maturity and thereby reimburse the Banks for a portion of the amount owed to them as result of the draws on the Credit Facility, and the Corporation further has requested an expression of this Board's willingness to authorize the issuance of the 2012 Bonds at a future date after the documentation relating to the financing has been prepared and completed;

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of the County of Geauga, State of Ohio, that:

Section 1. This Board authorizes the amendment of the Indenture to permit the immediate release of moneys held by the trustee in debt service reserve funds established under the Indenture to discharge a portion of the 2007 Bonds prior to their stated maturity and thereby reimburse the Banks for a portion of the amount drawn on the Credit Facility to purchase the 2007 Bonds, all as set forth in the form of First Supplemental Trust Indenture (the "First Supplement") now on file with the Clerk of this Board, which is approved. The First Supplement shall be signed on behalf of the County by any two members of this Board in substantially such form with any changes as may be approved by the members of this Board signing the First Supplement as not being substantially adverse to the County, such approval of any changes and their character as not being substantially adverse to the County to be evidenced conclusively by the signing of the First Supplement by any two members of this Board and approval of the form of the First Supplement by the County Prosecuting Attorney.

Section 2. This Board finds and determines that the issuance of the 2012 Bonds pursuant to the Act for the purpose of providing funds to refinance a portion of the 2007 Bonds will further the public purposes of the Act by better providing for the health and welfare of the residents of the County and the State by enhancing the availability, efficiency and economy of facilities such as the Project.

Section 3. In furtherance of such public purpose, this Board further determines that, if and when requested to do so by the Corporation, it will authorize and the County will issue the 2012 Bonds pursuant to the Act in one or more series and in the now estimated aggregate principal amount of \$41,000,000, subject to satisfaction of the conditions and pursuant to the provisions contained in the form of Agreement by and between the County and the Corporation now on file with the Clerk of this Board, which is approved. The Agreement shall be signed on behalf of the County by any two members of this Board in substantially such form with any changes as may be approved by the members of this Board signing the Agreement as not being substantially adverse to the County, such approval of any changes and their character as not being substantially adverse to the County to be evidenced conclusively by the signing of the Agreement by any two members of this Board and approval of the form of the Agreement by the County Prosecuting Attorney.

Section 4. The Clerk of this Board is directed to deliver a certified copy of this Resolution to the Corporation.

Section 5. This Board finds and determines that all formal actions of this Board concerning and relating to the adoption of this Resolution were taken in an open meeting of this Board and that all deliberations of this Board and of any committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 6. This Resolution shall be in full force and effect from and immediately after its adoption.

| | | |
|-----------------|-----------------------|-----|
| Roll Call Vote: | Commissioner Claypool | Aye |
| | Commissioner Jemison | Aye |
| | Commissioner Samide | Aye |

Commissioners' Journal
October 23, 2012

COMMISSIONERS' OFFICE – FIRST SUPPLEMENTAL TRUST INDENTURE – SOUTH FRANKLIN CIRCLE

Motion: by Commissioner Claypool, seconded by Commissioner Jemison to approve and execute the First Supplemental Trust Indenture between County of Geauga, Ohio as Issuer and U.S. Bank National Association as Trustee in regards to Revenue Bonds, Series 2007 for the South Franklin Circle Project.

| | | |
|------------------------|------------------------------|------------|
| <i>Roll Call Vote:</i> | <i>Commissioner Claypool</i> | <i>Aye</i> |
| | <i>Commissioner Jemison</i> | <i>Aye</i> |
| | <i>Commissioner Samide</i> | <i>Aye</i> |

COMMISSIONERS' OFFICE – AGREEMENT – SOUTH FRANKLIN CIRCLE

Motion: by Commissioner Claypool, seconded by Commissioner Jemison to approve and execute an Agreement between the County of Geauga, Ohio and South Franklin Circle in regards to the Issuance of Self-Supporting Revenue Bonds Relating to Facilities of South Franklin Circle.

| | | |
|------------------------|------------------------------|------------|
| <i>Roll Call Vote:</i> | <i>Commissioner Claypool</i> | <i>Aye</i> |
| | <i>Commissioner Jemison</i> | <i>Aye</i> |
| | <i>Commissioner Samide</i> | <i>Aye</i> |

Pam Hanover noted that there would be a final resolution relating to this process that would be brought before the board, most likely in late November.

COMMISSIONERS' OFFICE – EXECUTIVE SESSION

Motion: by Commissioner Claypool, seconded by Commissioner Jemison to move into executive session for the purpose of discussing the discipline of a County Home Employee.

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|------------------------|------------------------------|------------|
| <i>Roll Call Vote:</i> | <i>Commissioner Claypool</i> | <i>Aye</i> |
| | <i>Commissioner Jemison</i> | <i>Aye</i> |
| | <i>Commissioner Samide</i> | <i>Aye</i> |

The Board returned from executive session at 11:38 a.m., as a result the following action was taken:

Motion: by Commissioner Claypool, seconded by Commissioner Jemison to accept the disciplinary recommendation of the hearing officer and to suspend without pay, Ashley Clark, Part-time Attendant, in the County Home for twenty-four (24) hours for violations of the Geauga County Personnel Policy for Neglect of Duty. The hours of suspension without pay will be determined by the Department Director.

| | | |
|------------------------|------------------------------|------------|
| <i>Roll Call Vote:</i> | <i>Commissioner Claypool</i> | <i>Aye</i> |
| | <i>Commissioner Jemison</i> | <i>Aye</i> |
| | <i>Commissioner Samide</i> | <i>Aye</i> |

ACKNOWLEDGEMENTS

- a) *Gauga County Board of Developmental Disabilities, Board Minutes from September 19, 2012.*

OTHER

The Board reviewed upcoming events.

MEETINGS

Tue., 10/23 Records Commission Meeting, 1:30 p.m., Archives and Records Center

Thu., 10/25 The Commissioners will hold regular session

Thu., 10/25 University Hospitals Seidman Cancer Center Ribbon Cutting, 6:00 p.m.

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Thu., 10/25 Soil and Water Annual Dinner and Meeting, 7:00 p.m., Fairgrounds School Building

Tue., 10/30 The Commissioners will hold regular session

Thu., 11/1 The Commissioners will hold regular session

Tue., 11/6 The Commissioners will hold regular session

Thu., 11/8 The Commissioners will hold regular session

Fri., 11/9 NOACA meeting, 10:00 a.m. Cleveland

BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, COMMISSIONER CLAYPOOL ADJOURNED THE MEETING AT 11:40 A.M.

Geauga County Board of Commissioners

Mary E. Samide

Tracy A. Jemison

Walter M. Claypool

Christine Blair, Commissioners' Clerk