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**From:** Haley, Nikki  
**Sent:** Thursday, September 8, 2016 8:11 PM  
**To:** Smith, Austin  
**Subject:** Re: SFAA briefing for tomorrow

Thanks!

Sent from my iPad

On Sep 8, 2016, at 5:39 PM, Smith, Austin <[AustinSmith@gov.sc.gov](mailto:AustinSmith@gov.sc.gov)> wrote:

### **Regular Session Item 1**

#### *Project Overview*

\$75 million in JEDA bonds for Presbyterian Home of South Carolina retirement facilities construction and improvements.

- The Village at Summerville nursing home is replacing its 50 year old facility with a new \$22.5 million building and adding 18 independent living units for \$6.5 million.
- They are also constructing 12 independent living units at their retirement home in Easley for \$4.5 million and making \$27.5 million in improvements to their existing retirement facilities in Summerville, Clinton, and Easley.

#### *SFAA Considerations*

The treasurer highlighted two issues with this transaction: 1) higher than normal fees, and 2) a potential conflict of interest for Hamlin Capital Advisors to act as Financial Advisor and bondholder representative.

In addition to clergy, the Presbyterian Home Board of Trustees includes professionals in medicine, law, accounting, and business – in other words, it is a pretty sophisticated group. They appointed a subcommittee of three Board members to dig into this issue: Jay Nexsen (attorney and Vice Chair of Board), George Corbin (CPA and Chair of the Audit Committee), and Bud Nalley (commercial developer and member of the Presbyterian Home Foundation Board). Along with the CEO and CFO, they vetted the proposed bond financing, including costs and any conflicts with using the same firm as financial advisor and bondholder representative. Through an RFP, the Board ultimately selected Hamlin Capital Advisors to be the financial advisor in November, 2014, and as part of the RFP process, they solicited input from colleagues around the country about the structure.

Ultimately, the Presbyterian Home leadership concluded that the bond structure suited their objectives, and they could live with the overall cost of fees for this financing structure (approximately 2%). Despite that, the Treasurer will likely vote against it.

### **Regular Session Item 2**

#### *Project Overview*

South Carolina State University is refinancing \$37,500,000 in loans.

- The interest rate will be reduced from 5.83% to 1.85%.
- This refinancing will cost \$577,869 in fees but provide a net savings of \$11,979,281.40.

*SFAA Considerations*

No members have expressed concerns. This item should pass unanimously.