

# HAC

**Hospital Authority  
of Columbus, GA**

**Request Details:**

From: Hospital Authority of Columbus Georgia (the "Hospital Authority")  
 To: Columbus Consolidated Government (the "City")  
 Subject: Potential Refinancing Opportunity

To whom it may concern:

The Hospital Authority of Columbus, Georgia, in conjunction with our and the City's Financial Advisors Davenport & Company LLC, continuously monitors our debt portfolio for potential refinancing opportunities to lower debt service costs. We have preliminarily identified the Series 2013 issuance as a potential refinancing candidate.

In 2013, the Hospital Authority issued \$31.445 million of Revenue Anticipation Certificates which were secured through an intergovernmental agreement in which the City provided its backing. The 2013 Certificates when originally issued, had the industry standard 10-year call (prepayment) feature which is now quickly approaching (July 1, 2023) so we are looking to potentially take advantage of lower interest rates. The bonds we are contemplating refinancing are outlined below.

Series 2013 Certificates				
Maturity Date	Principal	Coupon	Interest	Total
7/1/2022	\$1,340,000	5.00%	\$1,027,450	\$2,367,450
7/1/2023	1,410,000	5.00%	960,450	2,370,450
7/1/2024	1,480,000	5.00%	889,950	2,369,950
7/1/2025	1,560,000	5.00%	815,950	2,375,950
7/1/2026	1,635,000	5.00%	737,950	2,372,950
7/1/2027	1,720,000	5.00%	656,200	2,376,200
7/1/2028	1,810,000	5.00%	570,200	2,380,200
7/1/2029	1,900,000	5.00%	479,700	2,379,700
7/1/2030	2,000,000	5.00%	384,700	2,384,700
7/1/2031	2,085,000	3.25%	284,700	2,369,700
7/1/2032	2,155,000	3.25%	216,938	2,371,938
7/1/2033	2,225,000	3.25%	146,900	2,371,900
7/1/2034	2,295,000	3.25%	74,588	2,369,588

We are at a minimum, seeking to refinance the outstanding 5.00% coupons but will request proposals to potentially refinance the 3.25% coupons as well.

**Total      \$23,615,000                      \$7,245,675      \$30,860,675**

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We discussed the potential opportunity at our July 26<sup>th</sup> Board Meeting and directed Staff and our professional team to begin the process. The recommendation is to explore the potential refinancing via a Direct Bank Loan approach. The refinancing will only be pursued further if the proposals proceed make financial sense and meet the City's debt policy with regards to minimum savings levels. Based upon current market conditions, it is estimated that the savings will produce approximately \$500,000 over the life of the loan, or about \$70,000 annually. This is equivalent to roughly 4.00% on a net present value basis which exceeds the City's Policy of 3.00%.

Therefore, we are requesting that City Council consider the intent resolution at the August 9<sup>th</sup> Council Meeting. This intent resolution will allow for the Hospital Authority to release the Request for Proposals and maintain the City's support behind the issuance.

Please do not hesitate to reach out should you have any questions.

Thank you,



Ernie Smallman  
Chairman  
Hospital Authority of Columbus  
August 4, 2022

CC: Britt Hayes, President / CEO, Hospital Authority of Columbus  
Rick Alibozek, Chief Financial Officer, Hospital Authority of Columbus  
Isaiah Hugley, City Manager, Columbus Consolidated Government  
Pam Hodge, Deputy City Manager, Columbus Consolidated Government  
Angelica Alexander, Finance Director, Columbus Consolidated Government  
Clifton Fay, City Attorney, Columbus Consolidated Government  
Lucy Sheftall, Assistant City Attorney, Columbus Consolidated Government  
Courtney Rogers, Financial Advisor, Davenport & Company LLC  
Doug Gebhardt, Financial Advisor, Davenport & Company LLC  
Jim Pannell, Bond Counsel, Gray Pannell & Woodward  
Jon Pannell, Bond Counsel, Gray Pannell & Woodward