

# REQUEST FOR BOARD ACTION

## HENDERSON COUNTY

### BOARD OF COMMISSIONERS

**MEETING DATE:** 16 April 2008

**SUBJECT:** Henderson County Hospital Corporation floating rate bond refinancing

**SUMMARY OF REQUEST:**

On 20 September 2001, Henderson County issued, on behalf of Henderson County Hospital Corporation, floating rate revenue bonds (bonds with floating interest rates paid solely from the revenues of the Corporation), in a face amount of \$15,300,000.00 (“\$15,300,000 County of Henderson, North Carolina, Hospital Revenue Bonds (Margaret R. Pardee Memorial Hospital Project) Series 2001”). These bonds have approximately 14 years until maturity.

The Corporation has contacted County staff regarding obtaining a refinancing of this debt, in order to secure a fixed interest rate in today’s lower interest rate environment. A request for proposals soliciting bids from financial institutions was prepared by the Corporation (after input from a financing consultant, the bond trustee’s counsel, and County staff). Proposals are due prior to this (the 16 April) meeting, but after the date by which this Request for Board Action is due. A report of the proposals will be made at your 16 April meeting, together with any recommendation(s)

It is anticipated that if a proposal acceptable to the Board is obtained, this matter would be reviewed by the North Carolina Local Government Commission at its June meeting, with closing to occur shortly thereafter. Corporation staff and the Hospital Board of Trustees Finance Committee Chair has indicated a desire to move swiftly with this endeavor, to lock in an interest rate in what appears to be a favorable environment.

**BOARD ACTION REQUESTED:**

Approval of a successful bid.

If the Board is so inclined, the following motion is suggested:

***I move that the Board approve the proposal of [NAME OF FINANCIAL INSTITUTION] for the fixed rate refinancing of the County’s floating rate revenue bond indebtedness concerning the Henderson County Hospital Corporation.***