

REQUEST FOR BOARD ACTION

HENDERSON COUNTY

BOARD OF COMMISSIONERS

MEETING DATE: 20 July 2011

SUBJECT: Reimbursement resolution for Henderson County Hospital Corporation

ATTACHMENT(S): Proposed resolution

SUMMARY OF REQUEST:

Henderson County Hospital Corporation's Board of Trustees has determined it would be in the best interest of the Corporation to purchase another local medical practice, Hendersonville Hematology and Oncology, in accord with its long-term plans. Included in this purchase is the purchase of real estate used in the such practice.

The Hospital Corporation contemplates that the initial purchases of this practice will be made from available cash reserves. However, the Corporation Board wants to keep open for now the option of financing these purchases. To do so, since all real estate is held in the name of the County, and since any borrowing done would (1) require County approval and (2) likely require the real estate to be pledged as collateral for the loan, this resolution is required.

County and Hospital Corporation staff will be present and prepared if requested to give further information on this matter.

BOARD ACTION REQUESTED:

Approval of the Reimbursement Resolution.

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

I move that the Board adopt the Reimbursement Resolution contained together with this agenda item.

Extract of Minutes of a regular meeting of the Board of Commissioners of the County of Henderson, North Carolina, was duly held on July 20, 2011 at 9:00 a.m. in the Commissioners' Meeting Room, Henderson County Historic Courthouse, 1 Historic Courthouse Square, Hendersonville, North Carolina. Chairman J. Michael Edney presided.

* * *

The following members were present:

Chairman J. Michael Edney; Vice Chairman Thomas H. Thompson, Jr.; Commissioner Charlie Messer; Commissioner Larry Young; Commission William O'Connor.

The following members were absent:

None

Also present:

County Manager Steve Wyatt; Assistant County Manager Selena Coffey; Clerk to the Board Teresa Wilson; Finance Manager J. Carey McLelland; County Attorney Charles Russell Burrell.

* * *

Commissioner _____ moved that the following resolution (the "*Resolution*"), a copy of which was available with the Board and which was read by title:

RESOLUTION OF THE COUNTY OF HENDERSON, NORTH CAROLINA DECLARING THE INTENT OF THE COUNTY OF HENDERSON, NORTH CAROLINA TO REIMBURSE ITSELF FOR CAPITAL EXPENDITURES INCURRED IN CONNECTION WITH THE ACQUISITION OF A BUILDING FOR USE BY MARGARET R. PARDEE HOSPITAL FROM THE PROCEEDS OF CERTAIN TAX-EXEMPT OBLIGATIONS TO BE EXECUTED AND DELIVERED WITHIN THE NEXT EIGHTEEN MONTHS

WHEREAS, the Board of Commissioners of the County of Henderson, North Carolina ("*County*") has determined that it is in the best interests of County to acquire a building, formerly owned by Hendersonville Hematology and Oncology physicians, for use by Margaret R. Pardee Hospital (the "*Project*");

WHEREAS, the County presently intends, at one time or from time to time, to finance all or a portion of the costs of the Project with proceeds of tax-exempt obligations and reasonably expects to execute and deliver its tax-exempt obligations (the "*Obligations*") to finance, or to reimburse itself for, all or a portion of the costs of the Project; and

WHEREAS, the County desires to proceed with the Project and will incur and pay certain expenditures in connection with the Project prior to the date of execution and delivery of the Obligations (the "*Original Expenditures*"), such Original Expenditures to be paid for originally from a source other than the proceeds of the Obligations, and the County intends, and reasonably expects, to be reimbursed for such Original Expenditures from a portion of the proceeds of the Obligations to be executed and delivered at a date occurring after the dates of such Original Expenditures;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the County of Henderson, North Carolina as follows:

Section 1. **Official Declaration of Intent.** The County presently intends, and reasonably expects, to reimburse itself for the Original Expenditures incurred and paid by the County on or after the date occurring 60 days prior to the date of adoption of this Resolution from a portion of the proceeds of the Obligations. The County reasonably expects to execute and deliver the Obligations to finance all or a portion of the costs of the Project and the maximum principal amount of Obligations expected to be executed and delivered by County to pay for all or a portion of the costs of the Project is \$1,300,000.

Section 2. **Compliance with Regulations.** The County adopts this Resolution as a declaration of official intent under Section 1.150-2 of the Treasury Regulations promulgated under Section 103 of the Internal Revenue Code of 1986, as amended, to evidence the County's intent to reimburse itself for the Original Expenditures from proceeds of the Obligations.

Section 3. **Itemization of Capital Expenditures.** The Finance Officer of the County, with advice from special counsel, is hereby authorized, directed and designated to act on behalf of the County in determining and itemizing all of the Original Expenditures incurred and paid by the County in connection with the Project during the period commencing on the date occurring 60 days prior to the date of adoption of this Resolution and ending on the date of execution and delivery of the Obligations.

Section 4. **Effective Date.** This Resolution is effective immediately on the date of its adoption.

On motion of Commissioner _____, the foregoing resolution entitled **“RESOLUTION OF THE COUNTY OF HENDERSON, NORTH CAROLINA DECLARING THE INTENT OF THE COUNTY OF HENDERSON, NORTH CAROLINA TO REIMBURSE ITSELF FOR CAPITAL EXPENDITURES INCURRED IN CONNECTION WITH THE ACQUISITION OF A BUILDING FOR USE BY MARGARET R. PARDEE HOSPITAL FROM THE PROCEEDS OF CERTAIN TAX-EXEMPT OBLIGATIONS TO BE EXECUTED AND WITHIN THE NEXT EIGHTEEN MONTHS”** was duly adopted by the following vote:

AYES:

NAYS:

STATE OF NORTH CAROLINA)
)
COUNTY OF HENDERSON) ss:

I, *Teresa Wilson*, Clerk to the Board of Commissioners of the County of Henderson, North Carolina, ***DO HEREBY CERTIFY*** that the foregoing is a true and exact copy of a resolution entitled **“RESOLUTION OF THE COUNTY OF HENDERSON, NORTH CAROLINA DECLARING THE INTENT OF THE COUNTY OF HENDERSON, NORTH CAROLINA TO REIMBURSE ITSELF FOR CAPITAL EXPENDITURES INCURRED IN CONNECTION WITH THE ACQUISITION OF A BUILDING FOR USE BY MARGARET R. PARDEE HOSPITAL FROM THE PROCEEDS OF CERTAIN TAX-EXEMPT OBLIGATIONS TO BE EXECUTED AND DELIVERED WITHIN THE NEXT EIGHTEEN MONTHS”** adopted by the Board of Commissioners of the County of Henderson, North Carolina, at a meeting held on the 20th day of July, 2011.

WITNESS my hand and the corporate seal of the County of Henderson, North Carolina, this the ____ day of July, 2011.

Teresa Wilson
Clerk to the Board
County of Henderson, North Carolina