

# REQUEST FOR BOARD ACTION

## HENDERSON COUNTY

### BOARD OF COMMISSIONERS

**MEETING DATE:** 17 July 2013

**SUBJECT:** Resolution approving Hospital Corporation  
refunding/refinancing

**PRESENTER:** Charles Russell Burrell

**ATTACHMENT(S):** (1) Summary of Fixed Rate Bank Bids  
(2) Proposed resolution

#### SUMMARY OF REQUEST:

After meetings with County representatives, representatives of Henderson County Hospital Corporation requested proposals for the refunding (refinancing) of the Corporation's existing revenue bond. The results are shown on the attached summary, and indicate a significant interest savings for the Corporation.

The Hospital Corporation wishes to move forward with the refunding through the low bidder, First Citizens Bank. The attached proposed resolution is needed for this process to move forward. While these steps by the County are required, the new loan (as with the old) would be repaid from revenues generated by the Hospital Corporation.

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

#### BOARD ACTION REQUESTED:

Approval of the proposed resolution.

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

***I move that the Board adopt the "Resolution of the County of Henderson, North Carolina Directing the Application to the Local Government Commission for Approval of a Hospital Revenue Refunding Bond; Requesting Local Government Commission Approval of the County's Hospital Revenue Refunding Bond (Margaret R. Pardee Memorial Hospital Project), Series 2013 and Certain Related Matters".***

A regular meeting of the Board of Commissioners of the County of Henderson, North Carolina, was duly held on July 17, 2013 at 9:00 a.m. in the Commissioners' Meeting Room, Henderson County Historic Courthouse, 1 Historic Courthouse Square, Hendersonville, North Carolina. Chairman Charlie Messer presiding.

\* \* \*

The following members were present:

The following members were absent:

Also present:

\* \* \*

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 DIRECTING THE APPLICATION TO THE LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF A HOSPITAL REVENUE REFUNDING BOND; REQUESTING LOCAL GOVERNMENT COMMISSION APPROVAL OF THE COUNTY'S HOSPITAL REVENUE REFUNDING BOND (MARGARET R. PARDEE MEMORIAL HOSPITAL PROJECT), SERIES 2013 AND CERTAIN RELATED MATTERS**

**WHEREAS**, the Board of Commissioners (the "*Board*") of the County of Henderson, North Carolina (the "*County*") desires to refund in advance of their maturities the County's Hospital Revenue Bond (Margaret R. Pardee Memorial Hospital Project), Series 2008 (the "*2008 Bond*") and the County's Hospital Revenue Bond (Margaret R. Pardee Memorial Hospital Project), Series 2010 (the "*2010 Bond*"), the proceeds of which were used by the Henderson County Hospital Corporation (the "*Corporation*") for certain previous capital improvements for the Margaret R. Pardee Memorial Hospital (the "*Hospital*"); and

**WHEREAS**, the Board is considering the issuance of not to exceed \$9,700,000 Hospital Revenue Refunding Bond, (Margaret R. Pardee Memorial Hospital Project), Series 2013 (the "*2013 Bond*") to (1) pay the cost of refunding the 2008 Bond and the 2010 Bond and (2) pay the costs of issuing the 2013 Bond; and

**WHEREAS**, the Board wishes to retain Parker Poe Adams & Bernstein LLP of Charlotte, North Carolina, as bond counsel; retain Stephens Inc., as structuring agent for the 2013 Bond; and retain Prince, Youngblood & Massagee, PLLC, as counsel to the Corporation; and

**WHEREAS**, the Board desires that the Finance Director or the County Manager of the County or the Vice President Finance/Chief Financial Officer of the Corporation (such officers being herein called the “*Authorized Officers*”) file with the Local Government Commission of North Carolina (the “*Commission*”) an application for its approval of the 2013 Bond, on a form prescribed by the Commission, and (1) request in such application that the Commission approve (A) the negotiation of the sale of the 2013 Bond to First-Citizens Bank & Trust Company (the “*Purchaser*”) through a private placement and (B) the County’s use of Parker Poe Adams & Bernstein LLP, as bond counsel for the County, Stephens Inc., as as structuring agent for the 2013 Bond; and Prince, Youngblood & Massagee, PLLC, as counsel to the Corporation and (2) state in such application such facts and to attach thereto such exhibits in regard to the 2013 Bond and to the County, the Corporation and their respective financial condition as may be required by the Commission, and to take all other action necessary to the issuance of the 2013 Bond; and

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF HENDERSON, NORTH CAROLINA, AS FOLLOWS:**

**Section 1.** That the 2013 Bond is to be issued by the County for the purpose of providing funds to (1) refund the 2008 Bond and the 2010 Bond in advance of their maturities, and (2) pay the costs of issuing the 2013 Bond, all as set out fully in the document attached to the County’s application to the Commission.

**Section 2.** That Parker Poe Adams & Bernstein LLP; Stephens Inc. and Prince, Youngblood & Massagee, PLLC are hereby retained and approved.

**Section 3.** That the Authorized Officers are hereby authorized, directed and designated to file an application with the Commission for its approval of the issuance of the 2013 Bond on the terms set forth in the Purchaser’s Proposal dated July 3, 2013. Any applications and communications previously undertaken with the Commission are hereby ratified, approved and affirmed.

**Section 4.** That the Board finds and determines, and asks the Commission to find and determine, from the County’s application and supporting documentation the following:

- (a) that the issuance of the 2013 Bond is necessary or expedient;
- (b) that the not to exceed stated principal amount of the 2013 Bond will be sufficient but is not excessive, when added to other moneys available to the County or Corporation, for the proposed refunding of the 2008 Bond and the 2010 Bond;
- (c) that the County’s and the Corporation’s debt management procedure and policies are excellent; and
- (d) that the 2013 Bond can be sold at a reasonable interest cost to the County.

**Section 5.** That the Authorized Officers, Chairman, Vice-Chairman and Secretary of the Board are hereby authorized to do any and all other things necessary to complete the steps necessary for the issuance of the 2013 Bond.

**Section 6.** That the Board requests that the Commission sell the 2013 Bond through in a private placement to the Purchaser on such terms as may be agreed on but at a true interest cost (after taking account any federal interest subsidy, if applicable) not to exceed 2.00%.

**Section 7.** That this Resolution is effective on the date of its adoption.

On motion of Commissioner \_\_\_\_\_, the foregoing resolution entitled **“RESOLUTION OF THE COUNTY OF HENDERSON, NORTH CAROLINA DIRECTING THE APPLICATION TO THE LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF A HOSPITAL REVENUE REFUNDING BOND; REQUESTING LOCAL GOVERNMENT COMMISSION APPROVAL OF THE COUNTY’S HOSPITAL REVENUE REFUNDING BOND (MARGARET R. PARDEE MEMORIAL HOSPITAL PROJECT), SERIES 2013 AND CERTAIN RELATED MATTERS”** 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 DIRECTING THE APPLICATION TO THE LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF A HOSPITAL REVENUE REFUNDING BOND; REQUESTING LOCAL GOVERNMENT COMMISSION APPROVAL OF THE COUNTY’S HOSPITAL REVENUE REFUNDING BOND (MARGARET R. PARDEE MEMORIAL HOSPITAL PROJECT), SERIES 2013 AND CERTAIN RELATED MATTERS”** adopted by the Board of Commissioners of the County of Henderson, North Carolina, at a meeting held on the 17<sup>th</sup> day of July, 2013.

***WITNESS*** my hand and the corporate seal of the County of Henderson, North Carolina, this the \_\_\_th day of July, 2013.

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