

# REQUEST FOR BOARD ACTION

## HENDERSON COUNTY

### BOARD OF COMMISSIONERS

**MEETING DATE:** August 3, 2020

**SUBJECT:** Reimbursement Resolution for Henderson County Hospital Corporation Borrowing

**PRESENTER:** Charles Russell Burrell

**ATTACHMENT(S):** Proposed Reimbursement Resolution

**SUMMARY OF REQUEST:**

The management of Henderson County Hospital Corporation has proposed a borrowing of not to exceed \$14,500,000 for the benefit of Margaret R. Pardee Memorial Hospital.

The purpose of the borrowing would be for the following:

- (1) roof replacement on the main Hospital building,
- (2) construction of a parking lot on property on 9th Avenue and Brown Streets, and the demolition and construction of a new parking lot on the old EMS site,
- (3) construction of a temporary EMS access and structural improvements to the parking garage,
- (4) maintenance and improvements to the boilers and steam system serving the main Hospital building,
- (5) maintenance and improvements to the HVAC system serving the main Hospital building, and
- (6) maintenance and improvements to the chilled water system and plumbing serving the main Hospital building

The County would incur no obligation as a result of this borrowing. However, as lessor to the Hospital Corporation of all the real estate upon which the Hospital Corporation conducts its operations, it must by the terms of the lease consent to the Hospital Corporation's borrowing (even though that real estate will not be pledged as collateral for this borrowing).

**BOARD ACTION REQUESTED:**

Adoption of the reimbursement resolution.

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

***I move that the Board adopt the reimbursement resolution.***

**EXTRACTS FROM MINUTES OF THE BOARD OF COMMISSIONERS**

A regular meeting of the Board of Commissioners of the County of Henderson, North Carolina, was duly held on June 1, 2020 at 9:00 a.m. in the Commissioners’ Meeting Room, Henderson County Historic Courthouse, 1 Historic Courthouse Square, Hendersonville, North Carolina.

The following members were present:

The following members were absent:

\* \* \* \* \*

Commissioner \_\_\_\_\_ moved that the following resolution, copies of which having been made available to the Board of Commissioners, be adopted, by reading the title thereof (further reading waived without objection):

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF HENDERSON, NORTH CAROLINA DECLARING ITS INTENT TO REIMBURSE ITSELF OR MARGARET R. PARDEE HOSPITAL FOR CAPITAL EXPENDITURES INCURRED IN CONNECTION WITH ADDITIONS AND IMPROVEMENTS OF THE HOSPITAL FACILITIES FROM THE PROCEEDS OF CERTAIN TAX-EXEMPT OBLIGATIONS**

**WHEREAS**, the Board of Commissioners of the County of Henderson, North Carolina (the “County”) has determined that it is in the best interests of Margaret R. Pardee Hospital (the “Hospital”) to incur capital expenditures in connection with (1) roof replacement on the main Hospital building, (2) construction of a parking lot on property on 9<sup>th</sup> Avenue and Brown Streets, and the demolition and construction of a new parking lot on the old EMS site, (3) construction of a temporary EMS access and structural improvements to the parking garage, (4) maintenance and improvements to the boilers and steam system serving the main Hospital building, (5) maintenance and improvements to the HVAC system serving the main Hospital building, (6) maintenance and improvements to the chilled water system and plumbing serving the main Hospital building (collectively, the "Projects"), all for use by the Hospital must be undertaken at an estimated cost not to exceed \$14,500,000.00, including the cost of financing the Projects (collectively, the “Projects”);

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

**WHEREAS**, the County desires to proceed with the Projects, and the Hospital or the County will incur and pay certain expenditures in connection with the Projects 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 reimburse itself or to have the Hospital 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 or have the Hospital reimbursed for the Original Expenditures incurred and paid by the County or the Hospital 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 Projects 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 Projects is \$14,500,000.

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 or have the Hospital reimbursed 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 or the Hospital in connection with the Projects 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 \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, the foregoing resolution entitled “**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF HENDERSON, NORTH CAROLINA DECLARING ITS INTENT TO REIMBURSE ITSELF OR MARGARET R. PARDEE HOSPITAL FOR CAPITAL EXPENDITURES INCURRED IN CONNECTION WITH ADDITIONS AND IMPROVEMENTS OF THE HOSPITAL FACILITIES FROM THE PROCEEDS OF CERTAIN TAX-EXEMPT OBLIGATIONS**” was duly adopted by the following vote:

AYES:

NAYS:

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

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 BOARD OF COMMISSIONERS OF THE COUNTY OF HENDERSON, NORTH CAROLINA DECLARING ITS INTENT TO REIMBURSE ITSELF OR MARGARET R. PARDEE HOSPITAL FOR CAPITAL EXPENDITURES INCURRED IN CONNECTION WITH ADDITIONS AND IMPROVEMENTS OF THE HOSPITAL FACILITIES FROM THE PROCEEDS OF CERTAIN TAX-EXEMPT OBLIGATIONS**” adopted by the Board of Commissioners of the County of Henderson, North Carolina at a meeting held on the 1<sup>st</sup> day of June, 2020.

*WITNESS* my hand and the corporate seal of the County of Henderson, North Carolina, this the 3rd day of August, 2020.

(SEAL)

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Clerk to the Board of Commissioners  
County of Henderson, North Carolina