

REQUEST FOR BOARD ACTION

HENDERSON COUNTY

BOARD OF COMMISSIONERS

MEETING DATE: March 4, 2024

SUBJECT: Reimbursement resolution for borrowing

PRESENTER: Charles Russell Burrell

ATTACHMENT(S): Proposed resolution
Draft minute extract showing adoption of proposed resolution

SUMMARY OF REQUEST:

You are requested to adopt a Resolution allowing for the reimbursing of expenditures incurred in a proposed series of building projects regarding Henderson County Hospital Corporation.

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

BOARD ACTION REQUESTED:

Adoption 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 DECLARING THE INTENT OF THE COUNTY OF HENDERSON, NORTH CAROLINA TO REIMBURSE ITSELF FOR CAPITAL EXPENDITURES INCURRED IN CONNECTION WITH THE CONSTRUCTION OF MEDICAL BUILDINGS FOR HENDERSON COUNTY HOSPITAL CORPORATION FROM THE PROCEEDS OF CERTAIN INSTALLMENT FINANCING TO BE EXECUTED AND DELIVERED IN CALENDAR YEAR 2024 OR 2025

**Henderson County, North Carolina
Before the Board of Commissioners**

RESOLUTION

BOARD OF COMMISSIONERS ENACTMENT 2024-_____

**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 CONSTRUCTION OF MEDICAL BUILDINGS FOR
HENDERSON COUNTY HOSPITAL CORPORATION FROM THE PROCEEDS OF
CERTAIN INSTALLMENT FINANCING TO BE EXECUTED AND DELIVERED IN
CALENDAR YEAR 2024 OR 2025**

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 finance the construction of medical buildings, housing physician offices, medical procedure rooms, pharmacies and other medical-related operations run by or for Henderson County Hospital Corporation (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 installment financing obligations and reasonably expects to execute and deliver its installment financing obligation (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 principal amount of Obligations currently expected to be executed and delivered by County to pay for the costs of the Project is not to exceed \$100,000,000.

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.

Extract of Minutes of a regular meeting of the Board of Commissioners of the County of Henderson, North Carolina, was duly held on March 4, 2024, at 5:30 p.m., in the Board of Commissioners' Meeting Room, Henderson County Historic Courthouse, 1 Historic Courthouse Square, Hendersonville, North Carolina. Board Chair Rebecca McCall presided.

* * *

The following members were present:

Board Chair Rebecca McCall
Board Vice Chair J. Michael Edney
Commissioner William Lapsley
Commissioner Daniel Andreotta
Commissioner David Hill

The following members were absent:

None

Also present: County Manager John Mitchell, Assistant County Manager Amy Brantley, Finance Director Samantha Reynolds, Budget Manager Sonya Flynn, Clerk to the Board of Commissioners Denisa Lauffer, and County Attorney Charles Russell Burrell.

* * *

_____ moved that the following resolution (the "*Resolution*"), a copy of which was available with the Board and which was deemed to be 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 CONSTRUCTION OF MEDICAL BUILDINGS FOR HENDERSON COUNTY HOSPITAL CORPORATION FROM THE PROCEEDS OF CERTAIN INSTALLMENT FINANCING TO BE EXECUTED AND DELIVERED IN CALENDAR YEAR 2024 OR 2025

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 finance the construction of medical buildings, housing physician offices, medical procedure rooms, pharmacies and other medical-related operations run by or for Henderson County Hospital Corporation (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 installment financing obligations and reasonably expects to execute and deliver its installment financing obligation (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 principal amount of Obligations currently expected to be executed and delivered by County to pay for the costs of the Project is not to exceed \$100,000,000.

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 Vice Chair Edney, 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 CONSTRUCTION OF MEDICAL BUILDINGS FOR HENDERSON COUNTY HOSPITAL CORPORATION FROM THE PROCEEDS OF CERTAIN INSTALLMENT FINANCING TO BE EXECUTED AND DELIVERED IN CALENDAR YEAR 2024 OR 2025**” was duly adopted by the following vote:

Ayes:

Nays:

DRAFT

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

I, *Denisa Lauffer*, 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 CONSTRUCTION OF MEDICAL BUILDINGS FOR HENDERSON COUNTY HOSPITAL CORPORATION FROM THE PROCEEDS OF CERTAIN INSTALLMENT FINANCING TO BE EXECUTED AND DELIVERED IN CALENDAR YEAR 2024 OR 2025**” adopted by the Board of Commissioners of the County of Henderson, North Carolina, at a meeting held on the ____ day of March, 2024.

WITNESS my hand and the corporate seal of the County of Henderson, North Carolina, this the ____ day of March, 2024.

Denisa Lauffer
Clerk to the Board
County of Henderson, North Carolina

DRAFT