Clay County Medical Center
Board of Trustees

12 P.M.
Wednesday, Feb 17, 2016
Board room

Minutes

BOARD MEMBERS PRESENT	OTHER PERSONS PRESENT
Lori Penner	Austin Gillard, CEO
Jeff Yarrow	Jim Garbarino, CFO
Sandy Fox	Mary Jensen, Recording Secretary
Richard Cott	Monte Green, Attorney
Terri Parry	Dustin Avey, Piper Jaffray & Co

CALL TO ORDER

Lori Penner, President, called the special meeting to order at 12:12 p.m.

PIPER JAFFRAY & CO – DUSTIN AVEY

The Board held a special board meeting to discuss financing options for the possibility of a new project at Clay County Medical Center. Dustin Avey presented a summary of financing options including, General Obligation Bonds, Public Building Commission Revenue Bonds, Sales Tax Supported Bonds and Lease Purchase Agreement.

Dustin explained the Hospital Revenue Bonds. These are hard to do since we are CAH, but it is possible with challenges along the way. Hospital revenue bonds are bonds which are payable solely and only from revenues of the hospital system. Financing terms would be 15 years with an estimated interest rate of 4.38%.

The PBC bonds are issued by the Public Building Commission and the County has the authority to create a public building commission (PBC). The PBC would enter into a lease agreement with the County which would then sublease the project at CCMC. In order to issue bonds for the project, the PBC would need to publish notice of its intent to issue bonds. There is a process to follow and there is a 60 day protest period. Financing terms would be 15 years with an estimated interest rate of 3.48% or 20 years with an estimated interest rate of 3.72%.

General Obligation Bonds are bonds issued by the County which may be paid from a specific source of revenue but are ultimately backed by the full-faith and credit of the County, including the County's ability to levy unlimited property taxes, if necessary. General obligation bond issues for certain projects completed by counties in Kansas in excess of $300,000 must be approved by voters at an election. Financing terms would be 15 or 20 years.

The Board discussed going to local banks first then banks out of county. The Board decided to have Austin Gillard and Dustin Avey meet with the County Commissioners and for Austin to keep them updated after the meeting.

The meeting adjourned at 1:34 p.m.

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Minutes recorded by Mary Jensen, Recording Secretary