

AGENDA

GRAND TRAVERSE COUNTY HOSPITAL FINANCE AUTHORITY

Thursday, May 13, 2021 at 2:00 p.m.

Remote Meetings are permitted pursuant to MCL 15.263a. The Grand Traverse County Hospital Finance Authority meeting will be held remotely. Remote participation is encouraged. The meeting will be made available to the public through the following means:

Dial: 1-408-418-9388
Pin #: 132 358 1352

Guests: Peter Ecklund, Clark Hill PLC

1. Call to Order
2. Public Comment
3. Approval of Meeting Minutes from November 11, 2018 (pg. 2)
4. Authorizing Resolution (pg. 3)
5. Second Public Comment
5. Adjournment

Hospital Finance Authority

Heidi Scheppe, Chair
Cheryl Wolf, Secretary
Dale Sterrett, Treasurer
Kory Hansen, Member
Gordie LaPointe, Member

**Hospital Finance Authority
Minutes of November 27, 2018**

Committee Members Present: Scheppe, Wolf, Sterrett, Hansen

Also Present: Clulo (Munson), Ecklund (Clark Hill PLC)

Call to Order: The meeting was called to order at 11:00 a.m. by Chairman Scheppe.

Peter Ecklund joined the meeting via teleconference and explained the purpose of the meeting.

A public hearing was held on November 7th @ 5:30 p.m. at the regular Board meeting. At that time, the Grand Traverse County Board of Commissioners considered and approved the request for approval for issuance of revenue bonds in an amount not to exceed \$63,000,000.00.

Public Comment: None

The Hospital Finance Board members and officers were formally confirmed by Ecklund as being Heidi Scheppe, Chairperson, Cheryl Wolf, Secretary, and Dale Sterrett, Treasurer and Kory Hansen, member.

Mr. Ecklund and Ms. Clulo described the purpose of the refunding and answered questions.

Moved by Scheppe, seconded by Sterrett to approve resolution authorizing not to exceed \$63,000,000 County of Grand Traverse Hospital Finance Authority Revenue Bonds (Munson Healthcare Obligated Group), Series 2019A, County of Grand Traverse Hospital Finance Authority Revenue Bonds (Munson Healthcare obligated Group), Series 2019B and County of Grand Traverse Hospital Finance Authority revenue Refunding Bonds (Munson Healthcare obligated Group), series 2019C and determining other matters relative thereto. Approved unanimously.

Second Public Comment: None.

Adjournment: Meeting adjourned at 11:27 a.m..

COUNTY OF GRAND TRAVERSE HOSPITAL FINANCE AUTHORITY

RESOLUTION AUTHORIZING NOT TO EXCEED \$150,000,000 COUNTY OF GRAND TRAVERSE HOSPITAL FINANCE AUTHORITY REVENUE AND REVENUE REFUNDING BONDS (MUNSON HEALTHCARE OBLIGATED GROUP), SERIES 2021A, AND DETERMINING OTHER MATTERS RELATIVE THERETO.

WHEREAS, Munson Healthcare has requested a loan (the "Loan") from the County of Grand Traverse Hospital Finance Authority (the "Authority") for the following purposes: (i) to finance the acquisition, construction, renovation and equipping of hospital facilities at the main campus of Munson Medical Center located at 1105 Sixth Street, Traverse City, Michigan (the "Main Campus"), including construction, furnishing and equipping of an expanded surgery unit and neurosurgery unit with a comprehensive stroke program and state-of-the-art biplane imaging labs and acquisition and installation of energy efficient equipment for use at the Main Campus (collectively, the "Project"); (ii) to refund the Authority's Revenue Refunding Bonds (Munson Healthcare Obligated Group), Series 2011A (the "2011A Bonds"); (iii) to refund the outstanding County of Otsego Hospital Finance Authority Hospital Revenue Refunding Bonds (Otsego Memorial Hospital Obligated Group), Series 2013A (the "Otsego 2013A Bonds"); (iv) to refund the outstanding Gaylord Hospital Finance Authority Hospital Revenue Refunding Bonds (Otsego Memorial Hospital Obligated Group), Series 2014B (the "Otsego 2014B Bonds"); (v) to refund the outstanding Gaylord Hospital Finance Authority Hospital Revenue Refunding Bonds (Otsego Memorial Hospital Obligated Group), Series 2015C (the "Otsego 2015C Bonds," and together with the 2011A Bonds, the Otsego 2013A Bonds and the Otsego 2014B Bonds, the "Bonds To Be Refunded"); and (vi) to pay certain costs and expenses related to the foregoing borrowing (collectively, the foregoing shall be referred to herein as the "Plan of Finance"); and

WHEREAS, at the request of Munson Healthcare, the Authority proposes to issue its Revenue and Revenue Refunding Bonds (Munson Healthcare Obligated Group), Series 2021A (the “Bonds”) to provide funds with which to make the Loan to Munson Healthcare; and

WHEREAS, on March 22, 2021, the City Council of the City of Gaylord, Michigan, conducted a public hearing with respect to the issuance of the Bonds and adopted a resolution approving the issuance of the Bonds by the Authority; and

WHEREAS, on May 5, 2021, the County Commission of the County of Grand Traverse, Michigan conducted a public hearing with respect to the issuance of the Bonds and adopted a resolution approving the issuance of the Bonds by the Authority; and

WHEREAS, the Authority proposes to enter into a Loan Agreement (the “Loan Agreement”), with Munson Healthcare, for itself and as Obligated Group Agent on behalf of the other Members of the Obligated Group (as defined in the Bond Indenture defined below), providing for a Loan in the aggregate principal amount not to exceed \$150,000,000 to Munson Healthcare; and

WHEREAS, the Loan Agreement contains the terms and conditions of the Loan and the repayment thereof and provides for the execution and delivery by the Obligated Group of a note with respect to the Loan, in order to evidence the obligation of the Obligated Group to repay the Loan; and

WHEREAS, the note of the Obligated Group evidencing the Loan (the “Note”) will be issued pursuant to a Master Indenture, dated as of August 1, 1992 (as supplemented and amended, the “Master Indenture”), between the Obligated Group and NBD Bank, N.A., now The Bank of New York Mellon Trust Company, N.A., as trustee (the “Master Trustee”) and Supplemental Indenture Number 32, between Munson Healthcare, for itself and as Obligated

Group Agent on behalf of the other Members of the Obligated Group, and the Master Trustee (the “Supplemental Indenture”); and

WHEREAS, in connection with the issuance of the Bonds, the Obligated Group intends to make certain amendments to the Master Indenture, which will become effective upon receipt of certain required consents, as provided in the Supplemental Indenture (the “Master Indenture Amendments”), and Munson Healthcare has asked for the Authority’s consent to the Master Indenture Amendments; and

WHEREAS, the Authority desires to approve the Loan Agreement, the Supplemental Indenture, the Note, and a Bond Indenture for the Bonds (the “Bond Indenture”), between the Authority and Bond Trustee, providing for the terms and conditions under which the Bonds are to be issued and will be outstanding; and

WHEREAS, the Authority is reasonably satisfied that that there will be available to Munson Healthcare from the proceeds of the Loan and other sources, all the funds necessary to pay all costs of the Project and the refunding of the Bonds To Be Refunded, that the facilities of the Obligated Group and other revenues pledged will produce sufficient revenues to pay the principal of and interest on the Loan and the Bonds, other costs, expenses and charges in connection with the Loan and the issuance of the Bonds and other charges or obligations of the Obligated Group which may be prior to or equal to the Loan and the Bonds promptly as they become due and that the Obligated Group is otherwise soundly financed; and

WHEREAS, the Authority expects to receive an offer to purchase the Bonds from Barclays Capital Inc. (the “Underwriter”) pursuant to a Purchase Contract for the Bonds (the “Purchase Contract”) in the form presented to and on file with the Authority; and

WHEREAS, in order to be able to market and sell the Bonds at the most opportune time and in the manner most beneficial to the Authority and the Obligated Group, it is necessary for the Authority to authorize the Chairman, the Treasurer or the Secretary of the Authority (each an “Authorized Officer”) to establish the specific terms of the Bonds and to accept the offer of the Underwriter to purchase the Bonds, all within the limitations set forth herein; and

NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY OF GRAND TRAVERSE HOSPITAL FINANCE AUTHORITY, THAT:

1. Issuance of Bonds; Compliance with Act. The Bonds shall be issued pursuant to the Hospital Finance Authority Act, Act No. 38, Public Acts of Michigan of 1969, as amended (the “Act”). The Bonds and the interest thereon shall be limited obligations of the Authority, payable solely from payments made pursuant to the Loan Agreement, the Note and from certain funds established under the Bond Indenture. The Authority has no taxing power. The Bonds and the interest thereon shall never constitute a general obligation or a debt or liability of the County of Grand Traverse, the State of Michigan or any political subdivision thereof within the meaning of any constitutional, charter or statutory provision or limitations, and shall never constitute or give rise to a charge against the general credit or taxing powers of the County of Grand Traverse, the State of Michigan, or any political subdivision thereof. Except as stated above, the Authority shall not be liable on its obligations in respect of the Bonds; nor are the members, commissioners, officers or employees of the Authority personally liable on such obligations. The Authority does hereby determine that Munson Healthcare and each of its subsidiaries where facilities will be financed or refinanced with proceeds of the Bonds constitutes or will constitute at the time Munson Healthcare uses the Bond proceeds, a hospital under the Act, and the Loan to

Munson Healthcare in accordance with the terms of the Loan Agreement is in furtherance of the public benefit and good as set forth in the Act.

The Authority does hereby determine, based on information supplied by the Obligated Group, that the Authority is reasonably satisfied that there will be available to Munson Healthcare from the proceeds of the Loan and other sources, all the funds necessary to pay all costs of the Project and the refunding of the Bonds To Be Refunded, that the facilities of the Obligated Group and other revenues pledged will produce sufficient revenues to meet the principal and interest on the Loan and the Bonds, other costs, expenses and charges in connection with the Loan and the issuance of the Bonds, and the other charges or obligations of the Obligated Group which may be prior or equal to the Loan and the Bonds promptly as they become due, and that the Obligated Group is otherwise soundly financed. The Authority does further determine that Munson Healthcare has obtained all certificates and determinations required by Section 47 of the Act.

The principal of and redemption premium, if any, and interest on the Bonds shall be paid from the sources and at the times provided in this Authorizing Resolution and the Bond Indenture.

The plan of refunding set forth in the Bond Indenture with respect to the Bonds To Be Refunded is hereby approved.

The Authority does further determine that the Plan of Finance is necessary to realize the objectives and purposes of the Act.

2. Approval of Documents. The Authority hereby approves and authorizes the issuance of the Bonds in accordance with the provisions of the Bond Indenture and this Authorizing Resolution. The Authority hereby approves the following agreements and

instruments substantially in the form presented to the Authority and on file with the Authority and each Authorized Officer is hereby authorized and directed to execute and deliver or accept the following agreements and instruments:

- A. The Loan Agreement;
- B. The Supplemental Indenture;
- C. the Note, in the form contained in the Supplemental Indenture;
- D. the Master Indenture Amendments; and
- E. The Bond Indenture.

3. Authorized Corrections and Changes in Documents. Approval of each of the Loan Agreement, the Note, the Bond Indenture, the Supplemental Indenture and the Master Indenture Amendments is subject to and includes approval of such completions, corrections and other changes therein as are determined by an Authorized Officer to be necessary and not to materially or substantially adversely alter any essential provision thereof and as are approved by bond counsel and counsel to the Authority.

4. Sale of Bonds. The form of the Purchase Contract, with the exhibits attached, is approved and any Authorized Officer is authorized and directed to execute and deliver the Purchase Contract, for and on behalf of the Authority, substantially in the form as approved with such additions, changes or corrections as are determined by the Authorized Officer executing the Purchase Contract to be necessary or desirable; provided, however, the following terms of the Bonds shall be as approved by the Authorized Officer:

- (i) The aggregate principal amount of the Bonds shall not exceed \$150,000,000.

(ii) The Bonds will initially bear interest at fixed rates for an initial fixed rate period. The maximum interest rate on the Bonds during the initial fixed rate period shall not exceed 6% per annum.

(iii) The Bonds may be subject to conversion to another interest rate mode as provided in the Bond Indenture.

(iii) The compensation paid to the Underwriter with respect to the Bonds shall not exceed 1% of the principal amount of the Bonds.

(iv) The maturity of and the last principal payment for the Bonds shall occur no later than 40 years from the date of the issuance of the Bonds.

(v) As permitted by Section 42(a) of the Act, the Bonds shall have no bond reserve account, unless requested by Munson Healthcare as required for the marketing or sale of the Bonds.

5. Official Statement. An official statement (the “Official Statement”) with respect to the Bonds, substantially in the form of the Preliminary Official Statement presented to the Authority and on file with the Authority is hereby approved with such changes, completions or corrections as are found necessary by an Authorized Officer, bond counsel or counsel to the Authority, and any Authorized Officer is hereby authorized to execute and deliver the Official Statement, as changed, completed and corrected. Circulation of the Official Statement by the Underwriter as so changed, completed or corrected is approved.

6. Appointment of Bond Trustee. The Bank of New York Mellon Trust Company, N.A. is hereby appointed bond trustee under the Bond Indenture.

7. Authorization of Closing Certificates and Other Documents. Any Authorized Officer is hereby severally authorized and directed to execute and deliver such certificates and

other documents and agreements and to take such other actions as may be necessary or convenient to effect the proper sale, execution and delivery of the Bonds, the refunding of the Bonds To Be Refunded, the execution and effectiveness of the Master Indenture Amendments, subject to and as may be required by the Purchase Contract, the Bond Indenture, the Supplemental Indenture, the Loan Agreement and this Authorizing Resolution.

8. Publication of Authorizing Resolution. The Secretary of the Authority is hereby authorized and directed to publish a copy of this Authorizing Resolution one time in a newspaper of general circulation within the County of Grand Traverse as soon as reasonably possible and in any event prior to the delivery of the Bonds.

9. Effective Date. This Authorizing Resolution, as it relates to the authorization of the Bonds, shall be effective immediately upon publication as set forth in paragraph 8 and shall otherwise be effective immediately upon adoption.

ADOPTED: AYES _____

NAYS _____

ABSENT _____

CERTIFICATE

I hereby certify that the attached is a true and complete copy of a resolution adopted by the County of Grand Traverse Hospital Finance Authority at a special meeting on May 13, 2021, and that public notice of said meeting was given pursuant to Act 267, Public Acts of Michigan, 1976, including in the case of a special or rescheduled regular meeting, or a meeting recessed for more than 36 hours, notice by posting at least 18 hours prior to the time set for the meeting.

Its Secretary