

Commission Letter # :313-09

Commission Meeting: 11/09/2009

RE: **TEFRA Public Hearing for Royal Oak Hospital Authority;
William Beaumont Hospital**

November 5, 2009

The Honorable Mayor
and
Members of City Commission

William Beaumont Hospital seeks to finance construction, acquisition, renovation, equipping, rehabilitation and/or improvement of hospital facilities in Royal Oak. Additionally, they intend to refinance indebtedness used to finance the construction, renovation and equipping of certain hospital facilities in the city through the Royal Oak Hospital Finance Authority. This financing will not exceed \$305 million.

As part of this process, Royal Oak must hold a public hearing. Mr. Peter Eckland, Consul to the Royal Oak Hospital Finance Authority, has prepared a letter explaining the financing and the hearing. He has also prepared the resolution that needs to be adopted by the City Commission following the hearing if this project is to proceed. These are attached.

Mr. Eckland and Mr. John Peetz, Vice President Treasury Administration for Beaumont Hospital, will be attending the hearing.

We recommend approval of the attached resolution following the hearing.

Respectfully submitted,



Donald E. Johnson
City Manager

Attachment

CITY OF ROYAL OAK
OAKLAND COUNTY, MICHIGAN

**City of Royal Oak Hospital Finance Authority
Hospital Revenue and Hospital Revenue Refunding Bonds
Issued for the benefit of William Beaumont Hospital
In an Amount not to Exceed \$305,000,000**

At a regular meeting of the City Commission of the City of Royal Oak held at 7:30 p.m., Eastern Daylight Time, on Monday, November 9, 2009.

PRESENT: _____

ABSENT: _____

The following preamble and resolution were offered by Commissioner _____ and supported by Commissioner _____;

WHEREAS, the City of Royal Oak Hospital Finance Authority (the "Authority") proposes to make loans to William Beaumont Hospital (the "Hospital"), to be used, in part, by the Hospital to (1) finance the construction, acquisition, renovation, equipping, rehabilitation and/or improve hospital facilities in the City of Royal Oak, Michigan and (2) refinance indebtedness used to finance the construction, renovation and equipping of certain hospital facilities in the City of Royal Oak, Michigan; and

WHEREAS, the Authority intends to issue City of Royal Oak Hospital Finance Authority Hospital Revenue Bonds (William Beaumont Hospital Obligated Group) and Hospital Revenue Refunding Bonds (William Beaumont Hospital Obligated Group), in one or more series (collectively, the "Bonds") on behalf of the Hospital in the aggregate principal amount of not to exceed \$305,000,000 to provide funds with which to make loans to the Hospital; and

WHEREAS, the Bonds will be limited obligations of the Authority and will not constitute general obligations or debt of the City of Royal Oak, the County of Oakland, the State of Michigan or any political subdivision thereof; and

WHEREAS, the City Commission has held a public hearing after notice was published as provided in, and in satisfaction of the applicable public hearing requirements of, the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, a record of public hearing will be maintained with the City Clerk; and

WHEREAS, the Authority has requested that this City Commission approve the issuance of the Bonds by the Authority; and

WHEREAS, the City Commission of the City of Royal Oak desires to express its approval of the issuance of the Bonds by the Authority.

IT IS HEREBY RESOLVED BY THE CITY COMMISSION OF THE CITY OF ROYAL OAK, AS FOLLOWS:

1. Solely for the purpose of fulfilling the public approval requirements of the Code, the City Commission of the City of Royal Oak hereby approves the issuance, sale and delivery of not to exceed \$305,000,000 in aggregate principal amount of the Bonds by the Authority.

2. The City Clerk is hereby directed to provide three (3) certified copies of this resolution to the Secretary of the Authority

YEAS: _____

NAYS: _____

ABSTENTIONS: _____

RESOLUTION DECLARED ADOPTED.

STATE OF MICHIGAN)
COUNTY OF OAKLAND)

I hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Commission of the City of Royal Oak held on November 9, 2009, and that the minutes of the meeting are on file in the office of the City Clerk and are available to the public. Public notice of the meeting was given pursuant to and in compliance with Act 267, Public Acts of Michigan, 1976.

Royal Oak City Clerk