

COUNCIL ACTION FORM

SUBJECT: SETTING SEPTEMBER 13, 2011, AS THE DATE OF PUBLIC HEARING FOR AUTHORIZATION TO ISSUE HOSPITAL REVENUE BONDS, MARY GREELEY MEDICAL CENTER SERIES 2011, IN AN AMOUNT NOT TO EXCEED \$65,000,000

BACKGROUND:

Mary Greeley Medical Center (MGMC) is in the process of implementing a major facility expansion to continue to provide quality regional medical services. The Municipal Code section that provides for the duties and authorities of the hospital trustees does not delegate activities related to the issuance and sale of revenue bonds. Therefore, Council action is required to issue revenue bonds for the hospital.

The issuance of revenue bonds by MGMC does not create a financial obligation or pledge of credit or taxing authority for the City of Ames. Only revenues from MGMC will be used to pay back the bonds.

Issuance of bonds requires that a public hearing be held.

ALTERNATIVES:

1. Establish September 13, 2011, as the date to hold a public hearing and take action to authorize the issuance of Hospital Revenue Bonds, Mary Greeley Medical Center Series 2011, in an amount not to exceed \$65,000,000.
2. Delay the hearing on the issuance of Hospital Revenue Bonds.

MANAGER'S RECOMMENDED ACTION:

Mary Greeley Medical Center provides quality medical services to both Ames and a large surrounding area, and is a major economic contributor to the community. Issuance of these bonds is required to provide funding for the Medical Center's planned facility expansion. Issuance of these bonds involves no financial obligation on the part of Ames property tax payers.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby establishing September 13, 2011, as the date to hold a public hearing and take action to authorize the issuance of Hospital Revenue Bonds, Mary Greeley Medical Center Series 2011, in an amount not to exceed \$65,000,000.