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Falls City Hospital Refinancing \$16-Million in Bonds

(KLZA)-- The Falls City Council approved an ordinance Monday night to aid Community Medical Center in refinancing about \$16-million in bonds on the new hospital.

Hospital CEO Ryan Larsen told the Council that in six years the hospital has paid the bonds down from \$18-million to \$16-million. Refinancing is expected to cut the interest rate in about half and save a projected \$8-million. The savings would then be used to help the hospital expand service and facilities.

The re-issued bonds would be paid off in 15 years.

Mike Rogers, Bond Council with Gilmore and Bell who is working with the hospital explains anytime tax exempt financing is done with a 501C3 entity, in order for the interest to be tax exempt, it needs to be done by a governmental entity.

Rogers reiterated that there is no financial risk to the City.

American National Bank of Omaha will do the financing.

The bank can only look to the hospital for repayment. The cities taxing power and credit are at no risk. The City only serves as the issuer of the financing to designate the bonds as bank qualified which creates an even lower interest rate for the hospital.

The Council voted to waive the three reading rule and passed the ordinance on final reading Monday night.

At a later point there will be a public comment period for the public to express their opinion.

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