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Community Medical Center to Refinance Bonds

(KLZA)-- The Falls City Council has cleared the way for Community Medical Center to reduce the amount of interest to be paid on bonds.

On Monday evening, city bond counsel Mike Rogers, an attorney with Gilmore and Bell in Omaha, explained the process to Council members. Tax rules allow an entity such as the hospital to borrow on a tax-exempt basis, only if a governmental entity is involved and serves as the issuer of the bonds.

State statutes make it clear, the transaction will not be a liability of the City.

In 2015 the City issued \$6,055,000 in Revenue Refunding Bonds for CMC. The new amount will be less than \$5.7-million.

The City would still have the ability to issue more than \$4.3-million in bank qualified tax-exempt bonds on other projects if needed. Rogers said this would greatly benefit the hospital in lowering their interest rate and lowering the principal payments.

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