



CITY COUNCIL AGENDA ITEM

January 5, 2012

TO: John Szerlag, City Manager

FROM: Tom Darling, Interim Director of Finance and Administrative Services

SUBJECT: Public Hearing to Receive Public Input on the City of Royal Oak Hospital Finance Authority Utilizing Tax-Exempt Bonds for William Beaumont Hospital - Troy

As required by the Internal Revenue Code of 1986, as amended (the "Code") the City of Troy is holding a public hearing to receive public input in advance of authorizing the City of Royal Oak Hospital Finance Authority to issue bonds that will be used to refund bond the proceeds of which were used to construct, acquire, renovate, equip, rehabilitate and/or improve the hospital facility of William Beaumont Hospital in the City of Troy.

It should be noted that approval of the issuance of bonds by the City of Royal Oak Hospital Finance Authority for the benefit of the City of Troy will not have any effect on the ability of the City of Troy to issue bonds, nor will it involve any liability to the City of Troy for the bonds.

Founded in 1852
by Sidney Davy Miller

Kristin E. Nied
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December 12, 2011

John Szerlag, City Manager
City of Troy
500 West Big Beaver
Troy, Michigan 48084

via e-mail to: j.szerlag@troymi.gov

RE: City of Royal Oak Hospital Finance Authority – William Beaumont Hospital

Dear Mr. Szerlag:

William Beaumont Hospital is anticipating a financing through the City of Royal Oak Hospital Finance Authority utilizing tax-exempt bonds. Miller Canfield is acting as bond counsel with respect to the bonds. Although all of the bonds will be issued by the City of Royal Oak Hospital Finance Authority, as permitted by State law, a portion of the proceeds of the bonds will be used to refund bonds the proceeds of which were used to construct, acquire, renovate, equip, rehabilitate and/or improve the hospital facility of William Beaumont Hospital in the City of Troy.

As required by the Internal Revenue Code of 1986, as amended (the “Code”), the City of Royal Oak must hold a public hearing and permit the issuance of the bonds. In addition, the Code requires, when proceeds of the bonds will be used outside of the jurisdiction issuing the bonds, that such other jurisdiction also hold a public hearing and authorize the issuance of the bonds.

To meet the requirements of the Code, we would like to request being placed on your City Council agenda for your January 9, 2012 meeting for the purpose of conducting a public hearing and approving the issuance of the bonds by the City of Royal Oak Hospital Finance Authority. I am attaching a draft of the notice that will be released for publication later this week. I am also attaching a draft of the proposed resolution that the City Council will consider. The format of the resolution is identical to ones that the City Council passed in 2009 and in other past years for financings of William Beaumont Hospital through the City of Royal Oak Hospital Finance Authority.

The approval of the bonds by the City Council of the City of Troy is solely for the purpose of meeting the public approval requirements of the Code. Such approval will not have any effect on the ability of the City of Troy (or affiliates) to issue bonds and will not involve any liability to the City of Troy (or affiliates).

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

Mr. John Szerlag

-2-

December 12, 2011

Please confirm that we can be placed on your agenda for your January 9, 2012, City Council meeting.

Very truly yours,

Miller, Canfield, Paddock and Stone, P.L.C.

By: /s/ Kristin E Nied
Kristin E. Nied

Enclosure

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