

Maple Grove City Council special meeting

meeting minutes

April 12, 2022

Call to order

Pursuant to call and notice thereof, a City Council special meeting was held at 6:45 p.m. on Tuesday, April 12, 2022 at the Maple Grove Government Center/Public Safety Facility, Hennepin County, Minnesota. Present was Mayor Mark Steffenson and Councilmembers Karen Jaeger, Phil Leith, Judy Hanson, and Kristy Barnett. Present also was City Administrator Heidi Nelson, City Attorney Justin Templin, and Finance Director Greg Sticha.

Mayor Steffenson called the meeting to order at 6:46 p.m.

Resolution authorizing amendment to health care facilities bonds by Maple Grove Hospital

Finance Director Sticha noted that in 2007, the City Council approved Resolution Nos. relating to the issuance of health care facilities revenue bonds to assist Maple Grove Hospital Corporation in their construction of a hospital. He stated that in 2017, the City Council approved Resolution No. 17-038 for the issuance of \$127M in refunding bonds related to the original issuance for the hospital.

Finance Director Sticha explained that North Memorial Health will become the 100% owner of Maple Grove Hospital by acquiring the 25% interest of Fairview Health Services. In order for the change to become effective, there must be a change to the structure of the outstanding Series 2017 Bonds that were issued by the City of Maple Grove. He further explained this is because the Series 2017 Bonds are currently guaranteed 75% by North Memorial and 25% by Fairview due to the historical ownership percentages. He noted that with the change in ownership, the North Memorial guarantee will be increased to 100% of the Series 2017 Bonds and the Fairview guaranty will be cancelled along with their ownership stake.

Finance Director Sticha stated that the change can be made with no impact on the city's role as the Issuer of the Bonds. He said there will be an amendment to the North Memorial Note to reflect the full amount of the guarantee, and the city as Issuer will assign the Note to the Trustee, which requires the consent and approval of the city.

Ryan Johnson, Vice President and Treasurer of North Memorial Health

thanked the Council for their support of the hospital. Mr. Johnson reported that Fairview is selling its interest in Maple Grove Hospital to North Memorial Health, with North Memorial Health becoming 100% owner. Moody's has reaffirmed rating on the bonds and North Memorial Health is issuing a new note for the remaining amount of \$103M and is assigning that note to the Trustee.

Motion by Councilmember Leith seconded by Councilmember Jaeger to approve Resolution No. 22-081 authorizing amendments to the notes of the Maple Grove Hospital ownership for 2017 Refunding Bonds. Upon call of the motion by Mayor Steffenson there were five ayes and no nays. Motion carried.

Adjournment

Motion by Councilmember Jaeger seconded by Councilmember Leith to adjourn to regular City Council meeting of April 18, 2022. Upon call of the motion by Mayor Steffenson there were five ayes and no nays. Motion carried.

The meeting was adjourned by Mayor Steffenson at 6:55 p.m.

Respectfully submitted

Heidi Nelson
City Administrator