

ORDINANCE NO. 2016-18

AN ORDINANCE OF THE FLOYD COUNTY BOARD OF
COMMISSIONERS TO AMEND THE HOSPITAL FUND

WHEREAS, Floyd County, Indiana ("Floyd County") has established and heretofore owned the Floyd Memorial Hospital and Health Services (the "Hospital"); and

WHEREAS, the Floyd County Board of Commissioners and the Floyd County Council (collectively, "County Officials") and the Hospital's Board, pursuant to IC 16-22-3, have previously agreed to transfer the Hospital's assets to Baptist Healthcare Systems ("Baptist") pursuant to an Asset Purchase Agreement dated June 28, 2016 (the "Agreement"); and

WHEREAS, on September 30, 2016, Floyd County received the first installment of proceeds, totaling \$75,000,000, from the transfer of the Hospital's Assets and will receive other distributions of proceeds (collectively the initial payment and other installment payments are "Proceeds") which qualifies for application of IC 5-13-9.3 et seq.; and

WHEREAS, on or about September 20, 2016, Floyd County Officials established a nonreverting fund (the "Hospital Fund") for the deposit of the proceeds;

WHEREAS, the Floyd County Auditor placed the Proceeds received on September 30, 2016, in the Hospital Fund; and

WHEREAS, pursuant to a promissory note, Floyd County will receive additional payments from the transfer of the Hospital's assets in January of each year over a period of ten (10) years ("Financed Purchase Price"); and

WHEREAS, the Floyd County Auditor placed \$70,000,000 of proceeds received on September 20, 2016, into a thirty (30) day certificate of deposit with an interest rate of .35%. The Floyd County Auditor placed the remaining \$5,000,000 of the Proceeds received on September 30, 2016, in a separate sixty (60) day certificate of deposit with an interest rate of .38%.

WHEREAS, the County Officials have agreed, pursuant to IC 36-1-14-1, to create an endowment at the Community Foundation of Southern Indiana with the Proceeds; and

WHEREAS, the County will receive interest from the certificates of deposit and the endowment and therefore desires to establish a nonreverting fund for the interest received therefrom ("Interest Fund"); and

WHEREAS, in addition to establishing a fund for the interest it will receive, Floyd County officials wish to establish the uses and parameters of the Interest Fund.

NOW, THEREFORE, BE IT RESOLVED BY THE Board of Commissioners of Floyd County, Indiana, that the Interest Fund is created as follows:

Section 1. Moneys to be deposited in the Interest Fund. All interest received from the certificates of deposit or amounts received from the county's endowment established at the Community Foundation of Southern Indiana (Floyd County Endowment) shall be deposited and kept in the Interest Fund until appropriated as authorized herein. The moneys deposited in the Interest Fund shall not be commingled with, nor shall they be a part of the general funds of the County. The Interest Fund shall be a nonreverting fund used solely for the purposes herein described herein.

Section 2. Authorized Expenditures. The Interest Fund may be used for the following:

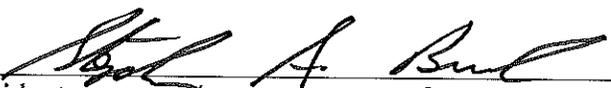
- (1) transfer to a nonreverting fund for any use determined appropriate by the Floyd County Council and Commissioners;
- (2) transfer to any nonreverting capital fund to be used for capital expenditures; or
- (3) transfer to the rainy day fund;

Section 3. No reversion of moneys to the general fund. There shall be no reversion of the Interest Fund or any moneys placed into the Interest Fund to the general fund of the County. Moneys received from interest earned off the certificate of deposits and moneys received from the Floyd County Endowment may accumulate in the Interest Fund.

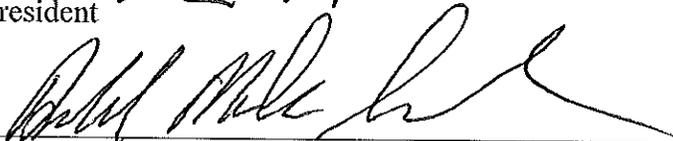
Section 4. This ordinance shall take effect upon adoption of the County Commissioners and approval of the County Council.

ADOPTED AND PASSED this 18th day of October, 2016.

FLOYD COUNTY BOARD OF COMMISSIONERS
FLOYD COUNTY, INDIANA



President



Member

Member