

Union County

Justin Bennett
Chair
W. Carr Vincent
Member
Clayton Kiesling
Member

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Brandy Thompson
County Manager
Stephen C. Ross
County Attorney

Emergency Meeting Notice/Agenda

The Union County Board of County Commissioners will hold an emergency meeting Wednesday, April 1, 2020 at 10:30 a.m. The following are the agenda items:

- Hospital COVID-19 Line of Credit & Loan Payments
- Hospital request for Mill Levy/GGRT

This meeting will be held telephonically. To access the telephonic emergency meeting scheduled for 4-1-2020 at 10:30 a.m. Call 1-346-248-7799 Meeting ID 305 86 3001

Brandy Thompson
Union County Manager

UNION COUNTY, NM
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1 of 1
BY Brenda Green

March 30, 2020

Mr. Justin Bennett
Chair of Union County Commissioners
Union County Courthouse
200 Court Street
P.O. Box 430
Clayton, New Mexico 88415

Dear Commissioner Bennett:

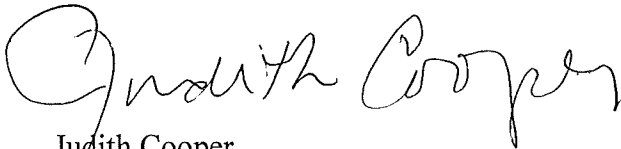
The State of New Mexico (the “State”) faces an unprecedented emergency as a result of the novel coronavirus (2019-nCoV) pandemic (the “Coronavirus Pandemic”), the President of the United States declared a National Emergency on March 13, 2020[, and the Governor of the State declared a State of Emergency in the State on March 15, 2020] (together, the “Emergency Declarations”). The Coronavirus Pandemic has caused serious deterioration in public health and placed a significant burden on hospitals, including but not limited to Union County General Hospital (the “Hospital”), to care for members of the public with 2019-nCoV. To respond to a substantial increase in expenses as a result of the expected need to care for members of the public with 2019-nCoV and the potential increase in days accounts receivable, due to the impact on the staff of third party payors, including but not limited to Medicare and Medicaid, and maintain financial flexibility in this time of uncertainty the Board of Directors of Clayton Health System (the “Board of Directors”) have determined it is necessary to (a) seek a waiver from making payments of principal and interest on the loans extended to Union County (the “County”) from the New Mexico Finance Authority (“NMFA”) and (b) secure short-term financing in the form of advances pursuant to a revolving line of credit from local banks and the NMFA.

The Board of Directors requests the approval of the County Commissioners of Union County (the “Commissioners”) to (i) not make payments of principal and interest on the loans extended to the County by NMFA for the benefit of the Hospital, as well as the related lease payments to the County which are the basis of such payments, for the months of April through and including August of 2020, and (ii) reimburse draws on the Debt Service Reserve Funds established in support of such loans, drawn on as a result of such failure to make payment of such debt service, in twelve equal monthly installments commencing in September 2020. Based on discussions with representatives of NMFA, upon the request of the Commissioners to NMFA, NMFA will seek approval to provide such relief to the County, and consequently Clayton Health Systems, upon receipt of a (i) request for such relief from the County Commissioners of Union County, and (ii) plan to restore draws upon the Debt Service Reserve Fund. Through this arrangement, the Hospital will be in an improved cash position to cope with the anticipated expenses resulting from the need to care for individuals infected by 2019-nCoV. Absent the anticipated impact of 2019-nCoV on the residents of Union County, the Board of Directors would not make such request, as the cash position of the Hospital is sufficient to support its daily operations under normal circumstances.

To further improve the cash position of the Hospital to cope with the anticipated financial impact of 2019-nCoV, we request approval of a line of credit, in an amount up to \$2.25 million, to be extended by NMFA and one or more local banks to Clayton Health Systems. The proposed line of credit would be secured by and payable from certain accounts receivable of the Hospital, and not be an obligation of the County. Advances under the line of credit would be limited to the lesser of (i) \$2.25 million, or (ii) 75% to 80% of accounts receivables from Medicare, Medicaid and commercial insurance companies, with the exact percentage subject to final negotiations with NMFA and the local banks. As a result of the proposed line of credit being secured by and payable from accounts receivable, the receipt of the pledged accounts receivable will repay the advances under the line of credit. The proposed line of credit will improve the cash position of the Hospital by turning 75% to 80% of the majority of its accounts receivable to cash within one to two days, as opposed to approximately 34 days under normal circumstances. While the County will not be obligated to repay amounts advanced under the line of credit, the approval of the County is required due to (i) the terms of the Lease Agreement between the County and Clayton Health Systems, and (ii) the need for the County to request a waiver from the "Additional Debt Test" in the documentation for the loans extended to the County by NMFA for the benefit of the Hospital.

As the Hospital prepares for the impact of 2019-nCoV, we request your urgent consideration of our request so we may focus on preparations for the provision of care to residents of Union County that may be infected by 2019-nCoV as opposed to the cash position of the Hospital as we prepare to address a looming crisis. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Judith Cooper". The signature is written in a cursive style with a large initial "J".

Judith Cooper
President
Clayton Health Systems

**CLAYTON HEALTH SYSTEMS
BORROWING RESOLUTION**

The State of New Mexico (the “State”) faces an unprecedented emergency as a result of the novel coronavirus (2019-nCoV) pandemic (the “Coronavirus Pandemic”), the President of the United States declared a National Emergency on March 13, 2020, and the Governor of the State declared a State of Emergency in the State on March 15, 2020 (together, the “Emergency Declarations”). The Coronavirus Pandemic has caused serious deterioration in public health and placed a significant burden on hospitals, including but not limited to Union County General Hospital, to care for members of the public with 2019-nCoV. To respond to a substantial increase in expenses as a result of the need to care for members of the public with 2019-nCoV and the potential increase in days accounts receivable, due to the impact on the staff of third party payors, including but not limited to Medicare and Medicaid, and maintain financial flexibility in this time of uncertainty the Board of Directors of Clayton Health System (the “Board of Directors”) have determined it is necessary to secure short-term financing in the form of advances pursuant to a revolving line of credit.

Be it resolved by the Board of Directors of Clayton Health Systems at its regular meeting on March 27, 2020, that management of Union County General Hospital is and hereby is directed to seek a revolving line of credit. Such revolving line of credit is to fund working capital, other cash flow needs, and the costs of implementing such revolving line of credit, and be in an amount not to exceed \$10,000,000.00 or such lesser amount as may be negotiated. The line of credit shall have a term not to exceed one year and advances thereunder shall mature up to one year from the date of the initial advance under the revolving line of credit. Advances shall bear a fixed or variable rate of interest, such interest rate not to exceed the maximum permitted interest rate under the law of the State of New Mexico.

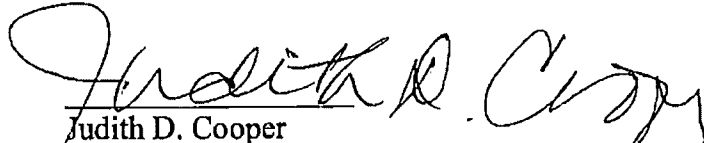
The Board of Directors hereby authorizes and approves the entering into and the execution and delivery by the President and Chairperson of the Board of Directors of a revolving line of credit with a bank or similar institution, in accordance with the terms hereof. The Board of Directors hereby further ratify, validate, confirm and approve the revolving line of credit and the terms, provisions, and conditions, including collateral pledging thereof as approved by the President or Chairman of the Board of Directors executing same. The execution by the President or Chairperson shall be conclusive evidence that such revolving line of credit is a revolving line of credit authorized by the terms hereof.

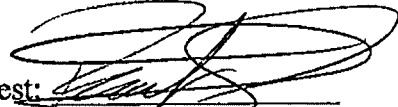
The Board of Directors hereby ratify, validate, confirm and approve the negotiation, execution and delivery of the revolving line of credit, the advances contemplated thereby, the payment of the costs incurred therewith and such other actions related thereto as shall be approved by the President or Chairperson of the Board of Directors.

The President and Chairperson of the Board of Directors is hereby authorized to execute from time to time such further documents or take any and all such further action as upon advice of

counsel to the Board of Directors (a) he, she or they shall deem necessary or desirable in order to effectuate the issuance, delivery and payment of the revolving line of credit and advances thereunder, or (b) may be reasonably required on the part of Clayton Health Systems to carry out, give effect to and consummate the transactions contemplated hereby and by the documents referred to therein or herein or approved thereby or hereby.

Management be and hereby is authorized and directed to engage a financial advisor and legal counsel, and such additional professionals as needed and appropriate, to obtain and implement such revolving line of credit as soon as possible.


Judith D. Cooper
President/Chairperson

Attest: 
Robert Williams
Secretary

REQUEST FROM UCGH MILL LEVY/GRT

3/27/2020

BY: Melissa Prante

Date	PAID TO:	AMOUNT
2/1/2020	NM HOSPITAL WORKERS COMP	5,878.00
12/31/2020	GE HEALTH CARE	3,482.59
1/15/2020	CHANGE HEALTHCARE	4,205.00
11/19/2019	AMERICAN PROFICIENCY INSTITUTE	7,434.52
2/29/2020	HIGH PLAINS RADIOLOGY	4,000.00
3/5/2020	GSD - ADMIN SERVICES	53,641.83
2/3/2020	RHINO MEDICAL SERVICES	4,949.55
3/1/2020	CANON MEDICAL FINANCE	7,125.30
1/31/2020	CHC	30,540.00
2/17/2020	GENEX MEDICAL STAFFING	7,353.91
2/1/2020	ANET	4,300.25
1/7/2020	CPSI/EVIDENT	17,162.32
2/5/2020	GSD - ADMIN SERVICES	56,735.84
12/1/2019	NEW MEXICO HOSPITAL ASSOC	13,168.00
2/4/2020	NMFA	33,051.18
2/27/2020	CARDINAL HEALTH	8,440.26
3/16/2020	MED ONE CAPITAL FUNDING	3,789.75
3/4/2020	CANON MEDICAL SYSTEMS	6,926.52
3/2/2020	ANET	4,336.85
3/2/2020	UMIA	35,636.00
3/15/2020	CONTINENTAL AUTOMATIC DOOR	5,933.13
2/28/2020	EFTPS	51,091.76
2/18/2020	STATE OF NEW MEXICO	20,325.61
3/5/2020	PNM	6,500.91
3/5/2020	PNM	5,061.55
TOTAL		\$ 401,070.63



 UNION COUNTY HOSPITAL BOARD APPROVAL

3-27-20

 DATE

Union County
PAGE 1 OF TREASURES REPORT

Reported as of TUESDAY MARCH 31, 2020 SARNETT TRSR01

	Begin-Fiscal	Yearly	Yearly	Yearly	SARNETT	TRSR01	
	Balance	Cash	Cash	Cash	Yearly	TOTAL	
		Receipts	Transfer-in	Transfer-out	Cash		
					Disbursement		
SECTION-A							
LIMITED ONLY							
BUDGETED FUNDS							
GENERAL FUND	401	1,713,922.39	1,830,372.15	37,500.00	98,000.00	1,426,005.34	2,057,789.20
ROAD FUND	402	469,092.33	1,062,141.71			959,332.48	571,901.56
FARM AND RANGE	403	377.54	62.33				439.87
RECREATION	404	92.09	0.90				92.99
CLERK'S REC/FIL FUND	405	30,514.06	4,422.12				34,936.18
INDIGENT CLAIMS	406	553,567.29	255,369.97		23,000.00	256,826.95	529,110.31
CAPULIN FIRE DISTRICT	407	76,725.54	68,793.92			48,809.92	96,709.54
SEDAN FIRE DISTRICT	408	203,902.62	320,764.17			84,010.56	440,656.23
AM/HAYDEN RFD	409	156,900.42	47,068.27			25,816.11	178,152.58
RABBIT EAR FIRE DIST.	410	190,229.42	242,162.13			347,357.83	85,033.72
GRENVILLE VOL. FIRE DEPT	411	26,541.26	61,377.61			15,274.30	72,644.57
CAPULIN EMS	412	5,922.79	2,413.06	8,000.00		3,484.49	12,851.36
AM/HAYDEN EMS FUND	413	174.56	1.73				176.29
FOLSOM EMS FUND	414	114,621.44	8,994.83	18,000.00		8,722.11	132,894.16
WILDLAND FIRE GRANT FUND	415	157,848.04	66,565.83	23,000.00		71,871.58	175,542.29
CORRECTIONAL GGRT RES	424	197,397.46	187,265.99			123,018.65	261,644.80
CORRECTION FEES FUND	425	35,800.22	18,743.92				54,544.14
D W I GRANT	426	9,158.97	61,148.17	75,000.00	37,500.00	34,603.76	73,203.38
E 911 STATE GRANT	427						
1/4 COUNTY PROP EVAL	499	79,127.03	30,859.87			28,391.32	81,595.58
EMERGENCY SERVICES GGRT	500	86,193.95	133,655.21		3,000.00	100,915.40	115,933.76
HEALTH COUNCIL	510						
GGRT SPECIAL FUND	600	354,658.93	128,616.55			23,376.71	459,898.77
GGRT RESERVE FUND	601	583,576.55	68,571.10			46,131.80	606,015.85
CAPITAL IMP. EMERGENCY	602	12,246.12	121.05				12,367.17
C.D.B.G #2	603						
LAW ENFORCEMENT	605	4,659.96	24,111.00			5,776.54	22,994.42
LEGISLATURE APPROP.	607	41,521.02	410.38				41,931.40
ELECT. OFFICIALS SALARY	608						
INCREASE IN CHANGE FUND	899						
SUBTOTAL-A-LIMITED-BUGETED		5,104,772.00	4,624,013.97	161,500.00	161,500.00	3,609,725.85	6,119,060.12
SECTION-B							
BUDGETED FUNDS							
UNLIMITED ONLY							
HOSPITAL	501	218,038.83	587,703.15			474,416.27	331,325.71
SPEC. CO HOSPITAL GGRT	502	111,703.80	260,824.01			301,874.80	70,653.01
DEBT SERVICE	561						
SUBTOTAL-B-UNLIMITED BUGETED		329,742.63	848,527.16			776,291.07	401,978.72
SECTION-C							
DISTRIBUTION TO							
SPECIAL DISTRICTS							
SUBTOTAL-C-SPECIAL DISTRICTS							
TOTAL PAGE 1, SECTIONS-A TO C		5,434,514.63	5,472,541.13	161,500.00	161,500.00	4,386,016.92	6,521,038.84
SECTION-D							
DISTRIBUTION TO							
MUNICIPALITIES							
TOWN OF CLAYTON	575	5,085.14	114,201.45			119,286.59	
VILLIAGE OF DES MOINES	576	163.17	8,748.04			8,911.21	
VILLAGE OF FOLSOM	577	141.67	4,348.92			4,490.59	
VILLAGE OF GRENVILLE	578	36.95	3,265.13			3,302.08	
CLAYTON DEBT SERVICE	579						
SUBTOTAL-D-MUNICIPALITIES		5,426.93	130,563.54			135,990.47	
SECTION-E							
DISTRIBUTION TO							
THE STATE OF NEW MEXICO							
STATE LEVY	591	3,634.51	150,796.13			154,430.64	
CATTLE LEVY	592	2,587.70	143,728.01			146,315.71	
SHEEP LEVY	593		51.25			51.25	
EQUINE LEVY	594	64.56	1,174.20			1,238.76	
STATE P & I FUND	597	217.63	3,046.17			3,188.80	75.00
DAIRY CATTLE LEVY	595						
BISON LEVY	596		14.41			14.41	
TRUST FUND	700						
COST TO STATE	702	125.00	1,975.00			2,100.00	