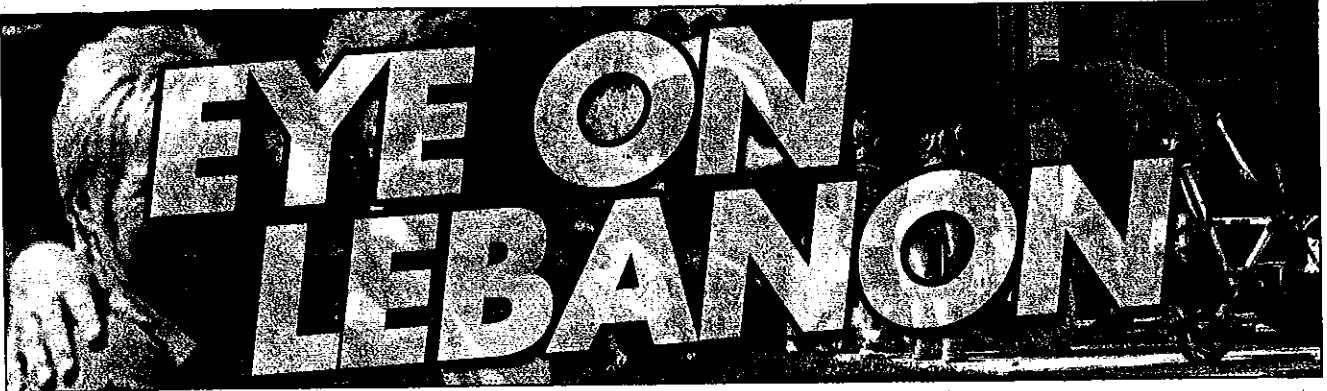


THE Lebanon Reporter

TUESDAY, MARCH 23, 2010

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Witham's bond issue: What does it all mean

This column is one in an ongoing series of columns written by community leaders at the request of the Community Vision Committee, with the goal of providing a deeper knowledge of the many aspects of the city of Lebanon.

Earlier this year, Witham Health Services asked Boone County to support a bond issue for up to \$40 million. We received support from both the Boone County

Council and the Boone County Commissioners. The outcome of our request is a 20-year lease between the County, Witham and the Boone County Hospital Association (BCHA). In the agreement, the BCHA will lease to the hospital the Witham Medical Office Building Two (also called the North Pavilion and located on our main campus), as well as Witham's new Anson project that consists of a freestanding emergency

room, OB, General Surgery, etc.

Many of you have asked about the request. Namely, what's in it for Witham? And what's the impact on

the county and taxpayers? Those are great – and very fair – questions.

Our request to sell up to \$40 million in bonds backed by the county and state, is rooted in our desire to secure lower interest rates.

Similar to how a homeowner may refinance his mortgage to lower his monthly payment and decrease the amount of interest owed on a loan, Witham wants to refinance the cost of our North Pavilion Medical Office Building to save millions of dollars in interest.

This transaction also would provide funds to buy the land where we built our Anson facility. Purchasing the Anson land is really part

of our long-term vision of serving the growing communities in that area. We view such a transaction as a long-term investment in the community – just as you may

consider a house purchase as a long-term investment in your family.

As part of the bond agreement, property tax funds would be used for bond payments only if the

Hospital can not pay the debt. It is highly unlikely that the hospital wouldn't have adequate funds to make a payment. In fact, such a scenario is viewed as only a remote possibility that holds minimal risk. And be clear, the property tax guarantee is not a tax increase – no separate tax levy will be created.

The property tax backing allows us to achieve a better bond rating and provides an element of credit security for

private investors.

Both of these points are important as Witham plans to sell the bonds to the Indiana Bond Bank, which in turn, will resell them to private investors.

I can assure you that everything we do at Witham is focused on building up this community and the people we serve. Whatever the nature of our actions – in this case, it's financial – we examine the effect on our

customers and partners. Rest assured, we wouldn't move forward if we didn't believe the bond issue provided value to our organization as well as the community.

We firmly believe that this bond issue provides value not only to Witham, but to Boone County and the communities we serve.

Raymond Ingham is the President & Chief Executive Officer of Witham Health Services.



RAYMOND INGHAM

Guest columnist