

**STATE OF NORTH CAROLINA  
DEPARTMENT OF HEALTH AND HUMAN SERVICES**

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**MEDICAL CARE COMMISSION QUARTERLY MEETING  
DIVISION OF HEALTH SERVICE REGULATION  
809 RUGGLES DRIVE, RALEIGH NC 27603  
EDGERTON BUILDING  
CONFERENCE ROOM – 026A**

**OR**

**TEAMS Video Conference: [Join the meeting now](#)**

**OR**

**Dial-IN: 1-984-204-1487 / Passcode: 322 477 150#**

April 10, 2024  
11:30 a.m.

**AGENDA**

- I. Meeting Opens – Roll Call**
- II. Chairman’s Comments.....Dr. John Meier**
- III. Public Meeting Statement.....Dr. John Meier**  

This meeting of the Medical Care Commission is open to the public but is not a public hearing. Therefore, any discussion will be limited to members of the Commission and staff unless questions are specifically directed by the Commission to someone in the audience.
- IV. Ethics Statement.....Dr. John Meier**  

The State Government Ethics Act requires members to act in the best interest of the public and adhere to the ethical standards and rules of conduct in the State Government Ethics Act, including the duty to continually monitor, evaluate, and manage personal, financial, and professional affairs to ensure the absence of conflicts of interest.
- V. Bond Project (Action Item)**
  - A. Carolina Meadows (Chapel Hill).....Geary W. Knapp**

**Resolution:** The Commission grants preliminary approval for a Carolina Meadows project to provide funds to be used, together with other available funds, to *construct* the following:

- 90 bed skilled nursing facility (replacing current skilled nursing facility)

Capital expenditures for the new construction shall be included as listed below, all in accordance with a preliminary application, plans and specifications and participation as follows:

**ESTIMATED SOURCES OF FUNDS**

Principal Amount of Bonds to be Issued	\$	80,657,816
<b>Total Sources</b>	<b>\$</b>	<b>80,657,816</b>

**ESTIMATED USE OF FUNDS**

Construction Contracts	\$	65,769,838
Architect Fees	\$	2,442,500
Architect Reimbursables	\$	50,000
Contingency (1% of Construction Costs)	\$	664,342
Surveys	\$	448,000
Landscaping	\$	230,500
Furniture / Fixtures	\$	2,825,000
Geotesting	\$	233,977
Engineering	\$	169,500
Owner's Representative	\$	395,000
Bond Interest during Construction	\$	5,875,816
Underwriter's Fee	\$	804,593
Feasibility Study Fee	\$	90,000
Accountant Fee	\$	35,000
Corporate Counsel Fee	\$	75,000
Bond Counsel Fee	\$	90,000
Rating Agencies	\$	90,000
Truste Fee	\$	10,000
Printing Costs	\$	7,500
Local Government Commission Fee	\$	8,750
Underwriter Counsel Fee	\$	90,000
DHSR Construction Review Fee	\$	60,000
Survey / Title / Recording Fees	\$	185,000
Truste Counsel Fee	\$	7,500
<b>Total Uses</b>	<b>\$</b>	<b>80,657,816</b>

Tentative approval is given with the understanding that the governing board of Carolina Meadows accepts the following conditions:

1. The project will continue to be developed pursuant to the applicable Medical Care Commission guidelines.
2. Any required certificate of need must be in effect at the time of the issuance of the bonds or notes.
3. Final financial feasibility must be determined prior to the issuance of bonds.
4. The project must, in all respects, meet the requirements of G.S. § 131A (Health Care Facilities Finance Act).
5. The Executive Committee of the Commission is delegated the authority to approve the issuance of bonds for this project and may approve the issuance of such greater principal amount of the loan as shall be necessary to finance the project; provided, however, that the amount set forth above shall not be increased by more than ten percent (10%).
6. The bonds or notes shall be sold in such a manner and upon such terms and conditions as will, in the sole judgment of the Executive Committee of the Commission, result in the lowest cost to the facility and its residents.
7. If public approval of the bonds is required for the purpose of Section 147(f) of the Internal Revenue Code of 1986, as amended (“Section 147(f)”), this tentative approval shall constitute the recommendation of the Commission that the Governor of the State of North Carolina (the “Governor”) approve the issuance of such bonds, subject to the satisfaction of the requirements of Section 147(f) concerning the holding of a public hearing prior to the submission of such recommendation to the Governor.
8. The borrower will comply with the Commission’s Resolution: Community Benefits/Charity Care Agreement and Program Description for CCRCs as adopted.
9. The borrower will furnish, prior to the sale of or issuance of the bonds or notes or execution of the leases, evidence that borrower is in compliance with the covenants of all of its outstanding Medical Care Commission debt.

Based on information furnished by applicant, the project is:

Financially Feasible: YES

Construction & Related Costs are Reasonable: YES

\* See **Exhibit A** for selected application information

## **VI. Meeting Adjournment**

# EXHIBIT A

## Compliance Summary:

- **No Violation of MCC Compliance policy**

1) Does Organization have a formal post tax issuance compliance policy?

**Yes**

2) Who in the Organization will be designated to ensure appropriate compliance with the issuance?

**Chief Financial Officer & Director of Finance**

3) What is the Organization's compliance monitoring plan?

**Compliance Officer/CFO report to CEO with periodic updates to CEO and Board**

4) How will the Organization report compliance deficiencies to leadership and the Board?

**Deficiencies will be reported to both the CEO and Board.**

## Selected Application Information:

**1) Information from FYE 2022 (12/31 Year End) Audit of Carolina Meadows:**

Net Income	(\$ 5,278,764)
Operating Revenue	\$ 47,729,144
Operating Expenses	(\$ 46,439,784)
Net Cash provided by Operating Activities	\$ 5,636,528
Unrestricted Cash	\$ 916,216

**Note: Net Loss due to unrealized loss on investments.**

**2) Ratings:**

Fitch – A(-)

**3) Community Benefits (FYE 2023):**

- Carolina Meadows pays their property tax as part of their Community Impact plan

**4) Long-Term Debt Service Coverage Ratios:**

Forecasted FYE 2023	1.67
Forecasted FYE 2024	1.67
Forecasted FYE 2025	1.85
Forecasted FYE 2026	1.75
Forecasted FYE 2027	2.05

**5) Transaction Participants:**

Bond Counsel:	Hawkins Delafield & Wood
Underwriter:	Ziegler
Underwriter Counsel:	Robinson Bradshaw
Accountant (AUP Forecast):	CliftonLarsonAllen LLP
Trustee:	Bank of New York
Trustee Counsel:	TBD
Rating Agency:	Fitch

**6) Board Diversity:**

Male:	40%
Female:	60%
Caucasian:	67%
Under-represented Minorities:	13%

**7) Diversity of Residents:**

Male:	38%
Female:	62%
Caucasian:	99%
Under-represented Minorities:	1%

**8) Fee Schedule:** See Page A-3

**9) Bond Sale Approval Form:** See Page A-5

## 2024 Independent Living Fee Schedule

The entry fees for the villas and apartments reflect a base price per unit. **Additional modifications to individual homes may cause these prices to increase.** All square footage figures are approximate measurements.

Second person entry fee: \$15,000

APARTMENTS		SQ. FT. (+/-)		MONTHLY FEE	
MODEL	TYPE	TOTAL	ENTRY FEE	SINGLE	DOUBLE
Edgecombe	One Bedroom	717	\$140,300	\$3,376	\$4,489
Lenoir	One Bedroom Expanded	790	\$159,200	\$3,479	\$4,592
Forsyth	One Bedroom with Den	1,007	\$224,400	\$3,505	\$4,618
Iredell	Two Bedroom	1,187	\$291,900	\$3,825	\$4,938
Julian	Two Bedroom with Den	1,302	\$327,800	\$3,872	\$4,985
Halifax	Two Bedroom	1,312	\$329,300	\$3,872	\$4,985
Kinston	Two Bedroom with Den	1,607	\$409,800	\$3,927	\$5,040

VILLAS		SQ. FT. (+/-)		MONTHLY FEE		
MODEL	TYPE	INTERIOR	GARAGE	ENTRY FEE	SINGLE	DOUBLE
Albemarle	One Bedroom with Den	1,180	264	\$337,300	\$3,917	\$5,030
Cumberland	Two Bedroom	1,502	264	\$440,800	\$3,976	\$5,089
Brunswick	Two Bedroom	1,566	264	\$461,400	\$3,982	\$5,095
Davidson	Two Bedroom with Den	1,584	264	\$483,400	\$3,983	\$5,096
Chatham	Two Bedroom	1,656	312	\$528,400	\$4,004	\$5,117
Manchester	Two Bedroom	1,722	312	\$575,400	\$4,013	\$5,126
Fairfax	Two Bedroom	1,775	312	\$593,200	\$4,016	\$5,129
Regent	Two Bedroom with Den	1,822	288	\$607,900	\$4,084	\$5,197
Caldwell	Two Bedroom	1,741	540	\$610,700	\$4,116	\$5,229
Hanover	Two Bedroom	1,898	540	\$658,100	\$4,167	\$5,280
Madison	Two Bedroom	2,011	534	\$695,300	\$4,177	\$5,290
Montgomery	Two Bedroom with Den	2,213	601	\$762,300	\$4,249	\$5,362

HYBRIDS		SQ. FT. (+/-)		MONTHLY FEE		
MODEL	TYPE	INTERIOR	GARAGE	ENTRY FEE	SINGLE	DOUBLE
Aspen	Two Bedroom with Den	1,909	288	\$710,700	\$4,267	\$5,380
Laurel	Two Bedroom with Den	2,081	288	\$740,900	\$4,286	\$5,399
Poplar	Two Bedroom with Den	2,118	288	\$785,000	\$4,334	\$5,447
Redwood	Two Bedroom with Den	2,210	288	\$839,000	\$4,440	\$5,553

\*THE SQUARE FOOTAGE LISTED IS APPROXIMATE. DUE TO ADDITIONS AND MODIFICATIONS, PLANS AND SQUARE FOOTAGES HAVE BEEN ALTERED. IN MANY CASES VILLAS HAVE ADDED HEATED AND COOLED SQ. FOOTAGE. ALL FEES, PAYMENTS AND BENEFITS ARE EFFECTIVE JANUARY 1, 2024 AND ARE SUBJECT TO CHANGE PERIODICALLY.

### Monthly Accommodation Fee Includes:

- Pro-rated Property Taxes
- Emergency Call System
- Grounds Care
- Building Maintenance and Insurance
- Security
- Water and Sewer
- Trash Removal Programs
- Scheduled Transportation
- Internet and Cable TV
- Administration Costs
- Use of Common Facilities

### Dining Account:

Residents are required to spend a minimum of \$300 per person per month in any of our six dining venues.

### Utilities:

Residents are responsible for gas and electric expenses. Utilities are individually metered at each residence.

### Concierge Services:

Residents enjoy a menu of services such as: Housekeeping, Information Technology Assistance, Private Transportation, Personal Training and Catering

# 2024 Schedule of Fees and Payments

## Assisted Living Fee Schedule

Carolina Meadows' Assisted Living accommodations include 24-hour staff, all daily meals, snacks, housekeeping services, and planned and supervised recreational activities. The Green at the Fairways provides a specialized environment and staffing for memory support. All accommodations fees are calculated on a per diem basis and are billed in advance.

### THE FAIRWAYS

	SINGLE OCCUPANCY	DOUBLE OCCUPANCY
<b>The Charlotte</b> (One Bedroom)	<b>\$271 per day</b>	<b>N/A</b>
<b>The Asheville</b> (One Bedroom Expanded)	<b>\$304 per day</b>	<b>\$404 per day</b>
<b>The Wilmington</b> (Two Bedroom)	<b>N/A</b>	<b>\$435 per day</b>

### MEMORY CARE AT THE GREEN

	SINGLE OCCUPANCY
Private Studio	<b>\$345 per day</b>

## Health Center Fee Schedule

Carolina Meadows' Health Center accommodations include 24-hour nursing care, all daily meals, snacks, housekeeping services, and planned and supervised recreational activities. All accommodation fees are calculated on a per diem basis and are billed in arrears.

### THE PINES

	PER DIEM CARE
Nursing, Private	<b>\$418</b>
Nursing, Semi-Private	<b>\$397</b>

**DISCOVER CAROLINA MEADOWS** 1-800-458-6756

ALL FEES, PAYMENTS AND BENEFITS ARE EFFECTIVE JANUARY 1, 2024 AND ARE SUBJECT TO CHANGE PERIODICALLY.

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## Resident Assistance Fee

SINGLE OCCUPANCY  
\$8,500

DOUBLE OCCUPANCY  
\$17,000

The resident assistance fee is a one-time payment required of all incoming residents. It is due prior to occupancy and is non-refundable. The fee enables residents to be covered under the financial assistance clause specified in the Residency and Services Agreement. Carolina Meadows has established a Residents' Assistance Fund to allow a limited number of residents to continue living at Carolina Meadows if, due to circumstances beyond their control, they can no longer pay the fees and charges due to us. Financial assistance is determined on an individual basis and there is no guarantee of assistance to any individual resident.

[WWW.CAROLINAMEADOWS.ORG](http://WWW.CAROLINAMEADOWS.ORG)

REVISED DECEMBER 2023



EQUAL HOUSING OPPORTUNITY

<b>NC MCC Bond Sale Approval Form</b>	
<b>Facility Name: Carolina Meadows, Inc.</b>	
	<b>Time of Preliminary Approval</b>
<b>SERIES: 2024</b>	
PAR Amount	\$80,110,000.00
Estimated Interest Rate	5.50%
All-in True Interest Cost	5.65%
Maturity Schedule (Interest) - Date	12/1/2024 to 12/1/2054
Maturity Schedule (Principal) - Date	12/1/2027 to 12/1/2054
Bank Holding Period (if applicable) - Date	N/A
Estimated NPV Savings (\$) (if refunded bonds)	N/A
Estimated NPV Savings (%) (if refunded bonds)	N/A
<b>NOTES:</b>	