

MINUTES OF THE SEPTEMBER 30, 2013, MEETING OF THE HEALTHCARE COMMITTEE OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY

The Board of Directors (the “Board”) of the Illinois Finance Authority (the “IFA”), pursuant to notice duly given, held a Healthcare Committee (the “Committee”) Teleconference Meeting at 3:00 p.m. on September 30, 2013, at the Chicago Office of the Illinois Finance Authority, 180 North Stetson Avenue, Suite 2555, Chicago, IL 60601.

IFA Staff Participants:

Board Members Participating:

Others Participating:

Chairman, Dr. Barclay
Michael Goetz
Roger Poole

Christopher Meister, Executive Director
Pam Lenane, Vice President/Acting General
Counsel
Nora O’Brien, Associate General Counsel

Brie Callahan, Marj Halperin Consulting
Kristen Sorsch, Crain’s Chicago Business

GENERAL BUSINESS

I. Call to Order and Roll Call

The Committee meeting was called to order at 3:01 p.m. with the above Board Members, IFA staff and other participants present. The Chairman asked Ms. O’Brien to call the roll. There being three members present, Dr. Barclay declared a quorum had been met.

II. Review and Approval of the July 1, 2013 Minutes

The Minutes from the Healthcare Committee meeting held on July 1, 2013, were reviewed. Mr. Goetz moved to approve the minutes and the motion was seconded by Mr. Poole. By voice vote, the Committee approved the above referenced minutes.

III. Review and Approval of the August 6, 2013 Minutes

The Minutes from the Healthcare Committee meeting held on August 6, 2013, were reviewed. Mr. Goetz moved to approve the minutes and the motion was seconded by Mr. Poole. By voice vote, the Committee approved the above referenced minutes.

IV. Review and Approval of the September 3, 2013 Minutes

The Minutes from the Healthcare Committee meeting held on September 3, 2013, were reviewed. Mr. Goetz moved to approve the minutes and the motion was seconded by Mr. Poole. By voice vote, the Committee approved the above referenced minutes.

V. Project Approvals

Ms. O’Brien presented the following project:

Item A: Washington and Jane Smith Community – Orland Park – Final Resolution

Washington and Jane Smith Community – Orland Park is requesting approval of a **Final Bond Resolution** in an amount not-to-exceed **Forty Five Million Dollars** (\$45,000,000). Bond proceeds will be used by **Washington and Jane Smith Community – Orland Park, d/b/a Smith Crossing** (the “**Corporation**” or the “**Borrower**”) to (i) refund Illinois Health Facilities Authority (“**IHFA**”) Series 2003A and Series 2003B-2 Bonds, (ii) repay Smith Crossing’s construction loan, the proceeds of which were used to fund an expansion project including, but not limited to the construction of 30 new assisted living units, the conversion of 16 existing memory support assisted living units to memory support skilled nursing units and the construction of 76 new independent living units, (iii) fund a debt service reserve fund and (iv) pay for a portion of the costs of issuance.

The committee did not have any questions regarding this project. Mr. Goetz moved to approve the project and the motion was seconded by Mr. Poole. By voice vote, the Committee agreed that this project be recommend for Board approval.

Item B: Westminster Village, Inc. – One-Time Final Resolution

Westminster Village, Inc. is requesting approval of a **One-Time Final Bond Resolution** in an amount not-to-exceed **Seven Million Dollars** (\$7,000,000). Bond proceeds will be used by **Westminster Village, Inc.** (the “**Corporation**” or the “**Borrower**”) to (i) pay or reimburse the costs of acquiring, constructing, renovating, remodeling and equipping the Corporation’s existing facilities located at 2025 East Lincoln Street in Bloomington, Illinois (collectively, the “**Project**”), and (ii) pay certain costs related to the issuance of the Bonds, all as permitted by the Act (collectively, the “**Financing Purposes**”).

The Committee asked about the financial debt service coverage ratio. Ms. O’Brien stated that she would follow up with the Borrower and update the Committee. Mr. Goetz moved to approve the project and the motion was seconded by Mr. Poole. By voice vote, the Committee agreed that this project be recommend for Board approval.

VI. Amendatory Resolutions

Ms. Lenane presented the following resolution:

Item A: Proctor Hospital

Methodist Health Services Corporation (“**MHSC**”), the corporate member of The **Methodist Medical Center of Illinois** (“**MMCI**”), and **Proctor Health Care Incorporation** (“**PHCI**”), the corporate member of **Proctor Hospital** (“**Proctor**”), finalized an affiliation agreement (the “**Affiliation Agreement**”). UPH, MHSC and Proctor have requested that the Illinois Finance Authority be prepared to provide any necessary consents or approvals to the Proctor obligation substitutions that may be required under the bond documents for the Series 2006A Bonds and the Series 2010 Bonds. In addition, Iowa Health System d/b/a **UnityPoint Health** (“**UPH**”), the sole corporate member of MHSC, has guaranteed the full, prompt and complete performance by MHSC under the Affiliation Agreement. The proposed resolution will delegate to the Executive Director and the acting General Counsel the authority to make the determination of what actions may be required by the Illinois Finance Authority to approve and document, if necessary, (1) the addition of Proctor and PHCI to the UPH Obligated Group and (2) the substitution of Master Trust Indenture notes issued by the UPH Obligated Group for any obligation currently securing the Series 2006A Bonds and the Series 2010 Bonds.

The committee did not have any questions regarding this resolution. Mr. Poole moved to approve the project and the motion was seconded by Mr. Goetz. By voice vote, the Committee agreed that this resolution be recommended for Board approval.

VII. Other Business

Ms. Lenane mentioned that there would be an Amendatory Resolution for an Elmhurst Taxable transaction on the Agenda for the Board Meeting next week. Ms. O’Brien stated that she would send around a draft to the Committee to review prior to the Meeting.

Ms. Lenane mentioned that she attended the Ziegler Strategy and Finance Conference and was able to meet with several borrowers and learn about upcoming transactions.

Director Meister discussed the Governor's press release regarding the Affordable Care Act that he distributed to the Board Members. He stated that he felt the press release gave a great overview based on the conference call and briefing that he participated in. He mentioned that it goes live tomorrow and he will provide further information as time goes on.

VIII. Public Comment

There was no public comment.

IX. Adjournment

Mr. Goetz moved to adjourn the meeting and the motion was seconded by Mr. Poole. The meeting adjourned at 3:19 p.m.

Minutes submitted by:
Nora O'Brien
Associate General Counsel