

**MINUTES OF THE FEBRUARY 1, 2010 MEETING OF THE HEALTHCARE
COMMITTEE OF THE ILLINOIS FINANCE AUTHORITY**

The Healthcare Committee (the “Committee”) of the Illinois Finance Authority (the “IFA”), pursuant to notice duly given, held a Healthcare Committee Meeting via teleconference at 11 a.m. on Monday, February 1, 2010 at the Illinois Finance Authority, 180 N. Stetson, Suite 2555, Chicago, Illinois:

**Board Members Participating
via Phone:**

Dr. William J. Barclay, Chair
Roderick Bashir
Michael W. Goetz
Bradley A. Zeller

Board Members

Absent:

Juan B. Rivera

Staff Participants

Present:

Christopher B. Meister, Deputy Director &
General Counsel
Pamela Lenane, Vice President and Assoc.
General Counsel
Bill Claus, Funding Manager
Shannon Govia, Assoc. Funding Manager
Beverly Womack-Holloway,
Secretary to the Board

Others Participating

Elizabeth Chevalier, Scott Balice
@ the IFA Office
Santino Bibbo,
Cabrera Capital Markets
via teleconference

GENERAL BUSINESS

Call to Order and Roll Call

The meeting was called to order by Chairman Barclay at 11:07 a.m. with the above Board Members, IFA staff, and other participants present and participating by phone.

Approval of Minutes

The minutes from the Healthcare Committee meeting held on Monday, January 11, 2010 were reviewed. Chairman Barclay motioned for approval of the minutes and Mr. Zeller seconded the motion. The minutes were unanimously approved by the Committee.

Discussion of Projects

Alexian Brothers Health System

Request for the preliminary approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$150 million. The proceeds of this issuance will be used to: 1) refund the remaining outstanding balance of the Alexian Brothers Health System Series 2005C Bonds, 2) fund a Project Fund for hospital modernization, 3) fund a Debt Service Reserve, and 4) pay certain costs of issuance associated with the Series 2010 Bonds. This project is located in Elk Grove Village and Hoffman Estates, IL (Cook County).

Bill Claus reported on this project. Mr. Goetz asked about minority participation. Mr. Claus said there would be none. Ms. Lenane let the Committee know that the TEFRA for \$150,000 would have a Governor’s letter approval and that it would be looked at again. A follow-up discussion pursuant to a minority underwriting group was asked to be reflected in the minutes. Ms. Lenane will clarify what the final amount will be. A motion to recommend approval to the Board was made by Chairman Barclay and seconded by Mr. Goetz. The motion passed unanimously.

Evangelical Retirement Homes of Greater Chicago, Inc.
d/b/a Friendship Village of Schaumburg

Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$36 million. Proceeds and certain other funds will be used to: 1) refund the existing Series 2005C Variable Rate Demand Bonds issued by the IFA 2) fund approximately \$2.8 million of prior capital expenditures, 3) fund a Debt Service Reserve Fund, and 4) pay for certain costs of issuance associated with the Series 2010 Bonds. This project is located in Schaumburg, IL (Cook County).

Bill Claus reported on this project. He let the Committee know that page 34 of the agenda packet (Summary of Significant Projection Assumptions and Accounting Policies) would be included in the Board Book. Mr. Claus let the Committee know that this project worked solely with Ziegler Securities which is non-rated and prefers not to work with a minority business. Ms. Lenane will continue to speak with them about their choice of underwriters. Mr. Zeller said they must consider using a minority company. Santino Bibo discussed his position on this. Dr. Barclay said that Ziegler needs to figure out a way to add minority firms as underwriters. Mr. Bashir mentioned that a conversation between IFA and Ziegler should take place before the Board meeting on February 9th or by the next Healthcare Committee meeting scheduled for March 1, 2010. A motion to recommend approval to the Board was made by Chairman Barclay and seconded by Mr. Zeller. The motion passed unanimously.

Friendship Village of Mill Creek, NFP (Greenfields of Geneva Project)

Request for the preliminary approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$125 million. The proceeds of this issuance will be used to (i) to construct and equip a new Continuing Care Retirement Community, (ii) repay monies used to finance pre-development costs, including the outstanding bond anticipation notes and other seed capital funds provided by various sources (iii) fund one or more Debt Service Reserve Funds, (iv) fund interest expense on the Bonds for a period of approximately 20 months, and (v) fund certain professional and bond issuance costs. This project is located in Geneva, IL (Kane County).

Bill Claus presented this project to the Committee. A motion to recommend approval to the Board was made by Chairman Barclay and seconded by Mr. Goetz. The motion passed unanimously.

Palos Community Hospital

Request for the preliminary approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$275 million. The proceeds of this issuance will be used to (i) provide financing to pay various capital expenditures associated with the acquisition, construction, and equipping of a new bed tower and for renovations to the existing hospital facility (ii) fund capitalized interest; (iii) fund a debt service reserve fund, if required, and (iv) to fund certain professional and bond issuance costs. This project is located in Palos Heights, Orland Park, Lemont and Oak Lawn, IL (Cook County).

Shannon Govia presented this project to the Committee. Mr. Govia let the Committee know that he would follow up on headcount before it comes before the board and that a minority firm was being used. A motion to recommend approval to the Board was made by Chairman Barclay and seconded by Mr. Goetz. The motion passed unanimously.

The University of Chicago Medical Center

Request for final approval for the issuance of up to \$166.735 million of 501(c)(3) Bonds to (i) convert or refund most or all of the Series 2009A and 2009B variable rate bonds to a fixed interest rate, (ii) and to pay costs of issuance. This project is located in Chicago, IL (Cook County).

Shannon Govia presented this project to the Committee. Mr. Govia let the Committee know that the University would be back in July/August to build a bed tower and again in November for \$200M both times. He also told the Committee that the Credit Committee did recommend approval. A motion to recommend approval to the Board was made by Chairman Barclay and seconded by Mr. Goetz. The motion passed unanimously.

Other Business

There was a meeting held to talk about IT and the need to find ways to fund expenditures. Participants included: Safety Net Hospital Association and ICAN. Also met with MHC to talk about the same issue and will begin setting up additional meetings in the near future.

Senior Living Facilities – Met with Chuck Freeburg and Wayne Smallwood who would like to attend board meetings in March or April.

There is an upcoming NAEFFA meeting and a Swedish Covenant closing coming up soon. A new deal with Swedish in Rockford is forthcoming. Met with AFSCME including Dr. Barclay, Ms. Lenane and Director Meister.

Adjournment

Chairman Barclay made a motion to adjourn which was seconded by Mr. Goetz. The motion passed unanimously and the meeting adjourned at 1:50 pm.

Respectfully submitted,

Beverly Womack-Holloway
Secretary to the Board
November 20, 2009