

## **MINUTES OF THE MARCH 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 1 p.m. on Monday, March 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:**

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

### **Others Participating**

Ocee Pierre  
Siebert Brandford Shank & Co.

## **GENERAL BUSINESS**

### **Call to Order and Roll Call**

The meeting was called to order by Chairman Barclay at 1:05 p.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, February 1, 2010 were reviewed. Chairman Barclay motioned for approval of the minutes; Mr. Bashir seconded the motion; the minutes were unanimously approved by the Committee.

### **Discussion of Projects**

#### **Affordable Assisted Living Coalition Note Program – Preliminary - \$48MM**

**Purpose:** Note proceeds will be used to finance the cost of (1) purchasing Medicaid accounts receivables from affordable assisted living providers across Illinois and (2) paying costs of issuance.

Mr. Bill Claus met with members of this project while Ms. Lenane was on vacation to discuss its structure and credit review. It was reported that there are no financials on this project. Also Ms. Lenane presented the project and reported that Mr. Clause talked with ATTIS about a similar program. A discussion ensued around this project regarding the HAP Program and the incentive by the State to keep medicaid payments current. This is considered short term borrowing and the State caught up on all its payments in January 2010. This is just a preliminary resolution.

A roll call vote was taken because Michael Goetz abstained from voting on this project due to his group’s ownership of the project. A motion to recommend approval to the Board was made by Chairman Barclay and seconded by Mr. Bashir. The motion passed.

**Alexian Brothers – Final - \$150 MM**

**Purpose:** Proceeds will be used to: 1) refund the remaining 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 expenses incurred in connection with the issuance of the Series 2010 Bonds.

Ms. Lenane presented this project and advised the Committee that she would be calling Alexian before the board meeting on Tuesday. A motion to recommend approval to the Board was made by Chairman Barclay and seconded by Mr. Goetz. The motion passed.

**Decatur Memorial Hospital – Final - \$20MM**

The document was not ready to be presented. Mr. Govia let the Committee know that this was not new money or new financing and that this project would be brought before the Committee at a later date.

**Palos Community Hospital – Final - \$275MM**

**Purpose:** (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.

Mr. Shannon Govia presented this project and let the Committee know that Cabrera had been added to the team and there was not a minority firm on the project. There was no rating on the project as yet but may have a rating by time of Board meeting. There must be a rating or must do a direct purchase. A motion to recommend approval to the Board was made by Chairman Barclay and seconded by Mr. Zeller. The motion passed.

**St. Anthony’s Health Center – Final - \$10MM**

**Purpose:** Proceeds will be used by Saint Anthony’s Health Center, an Illinois not-for-profit corporation (the “Borrower”), to fund capital expenditures and other improvements for the health care facilities of the Borrower including, but not limited to, certain radiology, hospital and other medical and non-medical equipment, information systems hardware and software, and various hospital building renovations and improvements.

Mr. Shannon Govia presented this project and advised the Committee there was no underwriter needed for this project. There was a change to include the cost of issuance requested by the Credit Committee. It will be finalized before the Board meeting. GE deals pay their own cost of issuance per Ms. Lenane. A motion to recommend approval to the Board was made by Chairman Barclay and seconded by Mr. Goetz. The motion passed.

**Swedish American Hospital – Final - \$25MM**

**Purpose:** Bond proceeds will be used to (i) refinance a taxable loan from JP Morgan Chase Bank, N.A. (the “Bank Loan”) that was used to redeem all of the outstanding \$25,000,000 Illinois Finance Authority Variable Rate Revenue Bonds, Series 2005

(Swedish American Hospital) Auction Rate Securities (the “Series 2005 ~~bonds~~Bonds”), and (ii) pay certain expenses incurred in connection with the issuance of the Bonds.

Mr. Shannon Govia presented this project and advised the Committee that this project was pulled from the Board agenda in 2006. It is to be noted that the property tax was not seen but added in after the packet was sent to the Committee. A motion to recommend approval to the Board was made by Chairman Barclay and seconded by Mr. Bashir. The motion passed.

### **Other Business**

At the beginning of the meeting Ms. Lenane brought to the attention of the Committee two articles from Crain’s on “The Clare” and the “Cash pours in at large hospitals” that Ms. Lenane wanted emailed to the Committee.

There was no one on the call from Scott Balice because their contract with IFA had expired and was being reviewed at the time of this meeting.

There was discussion on strategies for increased involvement with minority/women owned underwriters as well as senior living sectors having no in-roads made to date. Senior living projects are start up facilities and lots of money is charged on bond issues,

This was to be recorded in the minutes that a conversation took place regarding an informal lunch with Ziegler to include Dr. Barclay, Mr. Bashir, Ms. Lenane and Director Meister to discuss minority underwriting companies being used on their projects.

The discussion continued and mention was made that it must be stressed to MMBs and MWBs that a regulatory step must incur. Companies have been encouraged to participate but they have to ask questions and bring their own teams onto the playing field. They must familiarize themselves with the process. Mr. Goetz asked how do we get those that won’t budge to budge on their own. Director Meister said he would like to see a greater number and variety of diverse underwriters. We must encourage the MBE/WBE to join other organizations such as IHA, HFMA, etc. Dr. Barclay said some of them needed a push to get started. Mr. Santino, at a prior meeting, and Ocee Piere said they would both put their thoughts on paper because it’s better to have a bird in the hand than in the bush. They both agreed that it is important to know the steps to take in order to become an underwriter.

Lunch with Ziegler will be scheduled in the near future.

The meeting adjourned at 1:55 p.m.

Respectfully submitted  
Beverly Womack-Holloway  
Secretary to the Board