

**MINUTES OF THE JULY 2, 2012, 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 July 2, 2012, 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:

Dr. William J. Barclay, Committee
Chairman
Michael W. Goetz
Heather Parish
Roger Poole
Brad Zeller

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

Courtney Shea, Acacia Financial Group

GENERAL BUSINESS

I. Call to Order and Roll Call

Chairman Dr. Barclay called the Committee meeting to order at 3:03 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 five members present, Chairman Dr. Barclay declared a quorum had been met.

II. Review and Approval of the June 4, 2012 Minutes

The Minutes from the Healthcare Committee meeting held on June 4, 2012, were reviewed. Mr. Goetz moved to approve the minutes and Ms. Parish seconded the motion. By voice vote, the Committee agreed to approve the minutes.

III. Project Approvals

Ms. O’Brien presented the following project:

Item A: Hospital Sisters Services, Inc. - \$550,000,000 – Preliminary Resolution

Hospital Sisters Services, Inc. is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed \$550,000,000. Bond proceeds will be used by **Hospital Sisters Services, Inc.** (“HSSI” or the “Borrower”) to: (i) pay or reimburse the Borrower the payment of the costs of acquiring, constructing, renovating, remodeling and equipping certain of their health facilities, including, but not limited to, acquiring , constructing and equipping an approximately 25 bed critical access hospital and the renovation of a surgery department, (ii) refund the outstanding principal amount of IHFA Series 2003A Bonds, IFA Series 2007C Bonds and 2008A Bonds, (iii) pay a portion of the interest accruing on the Bonds, if deemed necessary or advisable, (iv) funding working capital, if deemed necessary or advisable, and (v) pay certain expenses incurred in connection with the issuance of the Bonds.

Mr. Goetz asked why no new jobs are projected, if there is a new hospital being built. Ms. O'Brien clarified that it is a replacement hospital, so the current employees will remain employed, but no new jobs will be created.

Ms. Parish asked if Ms. Lenane thought there was a possibility of minority underwriting participation on this transaction. Ms. Lenane responded that she would talk to the borrower, but since this is a variable rate transaction, it is unlikely that minority underwriters will participate.

Chairman Dr. Barclay asked for a motion to approve the above project. Mr. Goetz moved to approve the above project and the motion was seconded by Mr. Zeller. By voice vote, the Committee agreed that this project be recommended for Board approval.

IV. Other Business

Ms. Lenane updated the group on the Mercy Circle project. The transaction closed on June 29th and a new bond opinion has been issued. This will allow the bonds to remain outstanding and the project to be built.

Chairman Dr. Barclay asked for an update on the Medicaid Vendor Payment Program. Director Meister responded that there is no update, but IFA is well positioned to act if necessary.

Director Meister discussed the article included in the meeting materials, "Ruling Boosts Hospital Bonds" by Michelle Kaske.

V. Public Comment

There was no public comment.

V. Adjournment

Dr. Barclay asked for a motion to adjourn. Mr. Goetz moved to adjourn and Mr. Zeller seconded the motion.

The meeting adjourned at 3:19 p.m.

Minutes submitted by:
Nora O'Brien
Legal/Financial Analyst