

MINUTES OF THE JULY 11, 2011, 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 1:00 p.m. on July 11, 2011, at the Chicago Office of the Illinois Finance Authority, 180 North Stetson Avenue, Suite 2555, Chicago, IL 60601.

Board Members Participating:

Dr. William J. Barclay, Committee
Chairman
Mike W. Goetz
Heather D. Parish

IFA Staff Participants:

Christopher B. Meister, Executive Director
Pam A. Lenane, VP Healthcare
Nora O'Brien, Legal/Financial Analyst
Ahad F. Syed, Administrative Assistant

Others Participating:

Sharon Post, SEIU (via telephone)

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GENERAL BUSINESS

I. Call to Order and Roll Call

Chairman Dr. Barclay called the Committee meeting to order at 1:01 p.m. with the above Board Members, IFA staff and other participants present. The Chairman asked Mr. Syed to call the roll. There being three members present, Chairman Dr. Barclay declared the quorum met.

II. Review and Approval of the June 6, 2011 Minutes

The Minutes from the Healthcare Committee meeting held on June 6, 2011, were reviewed. Mr. Goetz motioned to approve the Minutes and Ms. Parish seconded the motion. The Committee unanimously agreed to approve the Minutes.

III. Project Approvals

Ms. Lenane presented the following projects for approval:

Item A: Advocate Health Care Network - \$533,000,000 - Final

Advocate Health Care Network is requesting approval of a Final Bond Resolution in an amount not-to-exceed \$533,000,000. Bond proceeds will be used by Advocate Health Care Network ("Advocate") to (i) fund new money projects at Advocate hospital campuses, including a new ambulatory pavilion at Advocate Christ Medical Center (approximately \$163 million) in Oak Lawn, Illinois; (ii) restructure a portion of Advocate's outstanding debt issued for its facilities statewide, if deemed necessary or advisable in order to reduce interest rate, put, credit and renewal risk; (iii) fund a debt service reserve fund, if deemed necessary or advisable; (iv) finance certain working capital expenditures, if deemed necessary or advisable; and (v) pay costs of issuance.

Ms. Lenane noted that the only revision to the Board Summary for Advocate Health Care Network (Final Bond Resolution) was the change from flexible to private placement under "Interest Mode" on page three.

Chairman Dr. Barclay asked for a motion to approve the above project. Mr. Goetz motioned to approve the above project and the motion was seconded by Ms. Parish. The Committee concurred that this project be recommended for Board approval.

Item B: CDH-Delnor Health System - \$190,000,000 – Final

CDH-Delnor Health System is requesting approval of a Final Bond Resolution in an amount not-to-exceed \$190,000,000. Bond proceeds will be used by CDH-Delnor Health System to refund its Series 2004A Bonds and Series 2008A Bonds.

Chairman Dr. Barclay asked for a motion to approve the above project. Mr. Goetz motioned to approve the above project and the motion was seconded by Ms. Parish. The Committee concurred that this project be recommended for Board approval.

IV. Other Business

Ms. Lenane briefly discussed a financial document listing the issuer fees for a recently closed transaction (Swedish Covenant Hospital).

Ms. Lenane explained to the Board that the Vendor Medicaid Program will not be brought before the IFA Board at its next meeting on July 19, 2011. Ms. Lenane stated that she remains hopeful that it is brought to the Board's attention at its meeting in August 2011. Ms. Post thanked Ms. Lenane for addressing the Vendor Medicaid Program.

Ms. Lenane also explained that the acquisition of Loyola University Chicago Medical Center by Trinity Health and the merger of Central DuPage Hospital Association and Delnor-Community Hospital had been completed.

Director Meister stated that Ms. Lenane has organized and presided over two NAHEEFA meetings regarding the direction of potential legislation affecting changes to conduit tax-exempt financing. Director Meister thanked Ms. Lenane for her work and explained that the IFA is working with related agencies such as NAHEEFA and CDFA to make recommendations to federal lawmakers if called upon.

Director Meister explained that Malcolm Weems, formerly the Chief of Staff to the Director of the Governor's Office of Management and Budget, and a key player in the implementation of the Vendor Medicaid Program, has now been appointed Director of State of Illinois Central Management Services. Furthermore, Director Meister stated that the IFA will be working with Mr. Weem's Chief of Staff, Jacob Stuckey, going forward. Director Meister indicated that while this is a large, unanticipated organizational shift it is a positive development.

Director Meister noted that *Crain's Chicago Business* published an article Sunday about the Illinois General Revenue Program and the IFA's Vendor Medicaid Program was briefly mentioned.

V. Adjournment

Dr. Barclay asked if there was any other business for the Committee's consideration. Hearing none he asked for a motion to adjourn. Ms. Parish moved to adjourn and Mr. Zeller seconded the motion.

The meeting adjourned at 2:30 p.m.

Minutes submitted by:
Ahad Syed
Administrative Assistant
Assistant Board Secretary


Mr. Goetz