

**MINUTES OF THE NOVEMBER 30, 2009 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, November 30, 2009 at the Illinois Finance Authority, 180 N. Stetson, Suite 2555, Chicago, Illinois:

Board Members Participating:

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

Board Members

Absent:

April D. Verrett
Juan B. Rivera

Staff Participants:

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
Kara Boulahanis, Project Coordinator &
Asst. Secretary to the Board
Jim Senica, Senior Funding Manager

Others Participating:

Julia Harris, Scott Balice

GENERAL BUSINESS

Call to Order and Roll Call

The meeting was called to order by Chairman Barclay at 1:03 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 November 4, 2009 were reviewed. Mr. Zeller motioned for approval of the minutes and Mr. Goetz seconded the motion. The minutes were unanimously approved by the Committee.

Discussion of Projects

Rest Haven Illiana Christian Convalescent Home, D/B/A Providence Life Services

Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$30 million. The proceeds of this issuance will be used (i) refund a majority of the Illinois Finance Authority Weekly Adjustable Rate Revenue Bonds, Series 2004B (Rest Haven Christian Services), and (ii) fund certain professional and bond issuance costs. This project is located in multiple locations in Chicago, IL (Cook County).

Mr. Claus shared with the committee that Providence Life Services was one of the first borrowers of the IFA after the consolidation in 2004. This is a first and final resolution, due to an opening before the end of the year in the borrower's financial calendar. This project is strong financially but has not yet been approved by the Credit Committee. Hearing no objections, Mr. Claus offered to re-circulate this project if the Credit Committee posed any substantive changes and approval was recommended.

Memorial Health System

Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$185 million. The proceeds of this issuance will be used to provide funds to Memorial Health System, Memorial Medical Center, Taylorville Memorial Hospital and The Abraham Lincoln Memorial Hospital (collectively, the "Borrowers"), each an Illinois not for profit corporation, together with certain funds of the Borrowers, necessary to (i) pay or reimburse, or refinance certain indebtedness the proceeds of which were used to pay or reimburse, the costs of acquiring, constructing, renovating, remodeling and equipping certain of the Borrowers' health care facilities, (ii) cash defease and/or currently refund all or a portion of the outstanding principal amount of the \$48,460,000 Illinois Health Facilities Authority Revenue Bonds, Series 1997 (Memorial Health System) (the "Series 1997 Bonds"), (iii) fund a debt service reserve fund, if deemed necessary or advisable, (iv) pay a portion of the interest on the Bonds, if deemed necessary or advisable, (v) provide working capital, if deemed necessary or advisable, and (vi) pay certain expenses incurred in connection with the issuance of the Bonds, including but not limited to the costs of cash defeasing and/or refunding the Series 1997 Bonds. This project is located in Springfield, Taylorville and Lincoln, IL (Sangamon, Christian and Logan Counties).

Ms. Lenane explained that no substantive changes had been made to this project since the preliminary resolution in October. Dr. Barclay asked Ms. Lenane if any minority underwriting firms had been approached. Ms. Lenane stated that the project was considering adding additional underwriters and that she had encouraged firms to contact the borrower. No objections were noted and approval was recommended.

Illinois Valley Community Hospital

Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$24 million. The proceeds of this issuance will be used to (i) funding for capital projects, (ii) the refinance of an existing bank loan and (iii) funding for bond issuance costs and other delivery date expenses associated with the transaction. This project is located in Peru, IL (LaSalle County)

Ms. Lenane explained that no substantive changes had been made to this project since the preliminary resolution in November. Dr. Barclay asked Mr. Lenane and Mr. Claus to clarify the costs of issuance. They agreed to forward that information to the committee before the Board Meeting on December 8th. No objections were noted and approval was recommended pending further explanation of the costs of issuance.

Villa Guadalupe Senior Service Corporation

Request for the final approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$23.5 million. The proceeds of this issuance will be used (1) refund the existing Series 1990 Variable Rate Demand Bonds issued by the County of Cook, Illinois 2) fund future capital expenditures, and 3) pay for cost of issuance associated with the Series 2009 Bonds. This project is located in Carbondale, Herrin and Murphysboro, IL.

Mr. Claus explained that no substantive changes had been made to this project since the preliminary resolution in November. Credit Committee recommends approval. Ms. Lenane clarified that this project will not have any minority underwriters on it. No objections were noted and approval was recommended.

Community Memorial Hospital

Request for the preliminary approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$955,000. The proceeds of this issuance will be used for (i) construction of a 5,500 square foot medical office building that will provide space to house Hospital physicians who are currently in space within the Hospital and who are committed to transition to the new offices (ii) Acquisition of equipment for use therein and (iii) legal and professional issuance costs associated with the bond issuance. This project is located in Staunton, IL (Macoupin County).

Mr. Senica explained that this project will finance a new clinic for doctors affiliated with Community Memorial Hospital. No objections were noted and approval was recommended subject to Credit Committee approval.

Saint Anthony's Health Center

Request for the preliminary approval of the issuance of 501(c)(3) Bonds in an amount not to exceed \$10 million. The proceeds of this issuance will be used 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. This project is located in Alton, IL (Madison County)

Ms. Lenane explained that this project is a private placement with GE Capital's Lease Program. This borrower is unrated and does have a weaker liquidity. GE will be providing the equipment and keeping this debt on their books. This financing will help the hospital continue to offer the services. Ms. Lenane offered to clarify the job creation numbers with the borrower. No objections were noted and approval was recommended.

Other Business

Supportive Living Receivables Pool

The Healthcare Team previously reported that it had started discussions with the Supportive Living Coalition to create a Medicaid receivables program due to the delays in payments from the State. The staff has been in contact with the Department of Human Services, Attorney General, Governor's Office and Comptroller in support of this program. Currently the staff is in need of a specific finalized payment deadline from the Comptroller's Office before any more progress can be made. The IFA is hopeful to have a preliminary resolution, or at least further clarification by the January Board Meeting. No objections were noted.

Not-for-Profit Hospitals, Critical Access Hospitals and Community Providers of Behavioral Healthcare.

Resolution establishing the Illinois Finance Authority Healthcare Initiative for Small and Mid-size Rural and Urban Not-for-Profit Hospitals, Critical Access Hospitals and Community Providers of Behavioral Healthcare services in the State of Illinois.

Ms. Lenane explained that this program would establish the guidelines for offering discounts on IFA's fees to the neediest hospitals in the State. This had previously been accomplished on a case by case basis but this resolution formalizes the policy with maximum flexibility to assist those hospitals that need it most. No objections were noted and approval was recommended.

Adjournment

Mr. Zeller made a motion to adjourn which was seconded by Mr. Goetz. The motion passed unanimously and the meeting adjourned at 1:54 pm.

Respectfully submitted,

Kara Nystrom-Boula
Assistant Secretary to the Board
November 20, 2009