

OFFICIAL MINUTES
California Health Facilities Financing Authority

915 Capitol Mall, Room 587
Sacramento, California
Thursday, February 28, 2002
1:45 PM

The Meeting was called to order by Anne Stausboll sitting for Chairman Philip Angelides. Members present were Annette Porini (sitting for Tim Gage), Cindi Aronberg (sitting for Kathleen Connell), Dr. Ranjana Sharma, George Monardo and Harry Bistrin. Also present were staff members Sumi Sousa, Executive Director, Terry Partington, Deputy Executive Director, Gina Greer, Counsel to the Authority, Connie Le Louis, Attorney General's Office, and Bob Kittredge, Financial Advisor, PricewaterhouseCoopers LLP.

The amended minutes of the December 6, 2001 and the minutes of the January 31, 2002, meetings was approved as submitted.

The Executive Director's Report was presented covering the month of January. As of January 31, 2002, bonds outstanding totaled \$6,324,787,248 and the fund balance was \$7,756,935.02. The Executive Director also reported that there were 10 borrowers with over \$100 million in CHFFA debt with a combined balance outstanding of \$5,052,881,090, which represents 80% of all CHFFA debt outstanding, and 10 equipment financings with a total balance outstanding of \$63,530,138. No equipment financings closed during the month. The Executive Director also reported a HELP II loan fund balance of \$17,776,260 as of January 31, 2002 and a clinic grant fund balance of \$43,370,418 as of January 31, 2002.

Resolution No. F-280 – ValleyCare Health System (VHS) requested the Authority to approve a bond issue resolution in an amount not to exceed \$20,255,000. VHS will use the loan proceeds to construct and renovate various portions of the Pleasanton campus. Staff recommended the Authority approve a Resolution in an amount not to exceed \$20,255,000 for ValleyCare Health System and authorizing the Authority's execution and delivery of all documents necessary to correct the non-compliance aspects of the asset transfer, the bond financing approval subject to a bond rating of at least an "A" rating by a nationally recognized rating agency and a final insurance commitment from Cal-Mortgage. After discussion by the Authority, and a request by Mr. Monardo that VHS submit quarterly financial statements to the Authority, a motion was made and seconded and the resolution was unanimously approved as recommended by staff.

Resolution No. HII-112 – Children's Treatment Center (CTC) requested the Authority to approve a HELP II loan resolution in an amount not to exceed \$400,000 for a term of 15 years. CTC will use the loan proceeds to purchase a 10-bed group home for young boys. Staff recommended the Authority approve the resolution for a HELP II Loan for Children's Treatment Center in an amount not to exceed \$400,000 for a term of 15 years, subject to a final appraised value on the property satisfactory to the Authority, submission of 2001 audited financial statements consistent with the unaudited 2001 interim financials and the standard HELP II loan provisions. After discussion by the Authority, a motion was made and seconded and the resolution was unanimously approved as recommended by staff.

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Resolution No. HII-114 – Tulare Community Health Clinic (“TCHC”) requested the Authority to approve a HELP II loan resolution in an amount not to exceed \$240,000 for a term of 10 years. TCHC will use the loan proceeds to renovate an existing leased building and to purchase dental, medical and office equipment. Staff recommended the Authority approve a resolution for a HELP II Loan for Tulare Community Health Clinic in an amount not to exceed \$240,000 for a term of 10 years on the renovation and 5 years on equipment for Tulare Community Health Clinic, subject to a \$23,100 debt service reserve fund for the duration of the loan and the standard HELP II loan provisions. After discussion by the Authority, a motion was made and seconded and the resolution was unanimously approved as recommended by staff.

Resolution No. HII-115 – Northeastern Rural Health Clinics (“NRHC”) requested the Authority to approve a HELP II loan resolution in an amount not to exceed \$142,200 for a term of 10 years. NRHC will use the loan proceeds in conjunction with Cedillo-Alarcón grant funds to construct a new facility. Staff recommended the Authority approve a resolution for a HELP II Loan for Northeastern Rural Health Clinics in an amount not to exceed \$142,200 for a term of 10 years subject to the standard HELP II loan provisions. After discussion by the Authority, a motion was made and seconded and the resolution was unanimously approved as recommended by staff.

Resolution No. HII-116 – Tehachapi Valley Healthcare District (“TVHD”) requested the Authority to approve a HELP II loan resolution in an amount not to exceed \$275,500 for a term of 5 years. TVHD will use the loan proceeds to purchase a CT scanner. Staff recommended the Authority approve a resolution for a HELP II Loan for Tehachapi Valley Healthcare District in an amount not to exceed \$275,500 for a term of 5 years subject to the standard HELP II loan provisions. After discussion by the Authority, a motion was made and seconded and the resolution was unanimously approved as recommended by staff.

Resolution No. 2002-03 – The Authority staff recommended the Authority approve an Extension Request to two additional clinics for extensions to the documentation deadline for the release of grant funds required under the Cedillo–Alarcón Community Clinic Investment Act of 2000, due to extraordinary circumstances that prevent the clinics from meeting this date. After discussion by the Authority, a motion was made and seconded to approve the recommended extension dates of August 12, 2002 for Clinicas de Salud del Valle de Salinas and May 31, 2002 for Sonoma County Indian Health Project, Inc.

Information Item – Staff informed the Authority that the California Educational Facilities Authority (CEFA) has entered into a contract with Public Financial Management (PFM) for the amount not to exceed \$600,000, payable at an hourly rate of \$200 for services rendered to both CEFA and CHFFA. CHFFA will reimburse CEFA for health related bond sale services pursuant to an Interagency Agreement in the maximum amount of \$300,000.

Having no other business, the meeting was adjourned.