

AMENDED MINUTES

**California Health Facilities Financing Authority
Minutes August 30, 2007 – 1:45 P.M.
915 Capitol Mall, Room 587
Sacramento, California**

Patricia Wynne sitting for Chairperson Bill Lockyer called the meeting to order at 1:55 p.m.

Present: Designee Patricia Wynne, Deputy State Treasurer
Designee Anne Sheehan for Michael C. Genest, Department of Finance
Designee Michael Carter for John Chiang, Controller's Office
Harry Bistrin
Judith Frank
Dr. Oscar Sablan

Staff: Barbara J. Liebert, Executive Director
Ronald Washington, Deputy Executive Director

The Chair declared a quorum present.

The minutes of the California Health Facilities Financing Authority's (CHFFA or the Authority) July 26, 2007, meeting were approved as submitted. Moved by Anne Sheehan and seconded by Harry Bistrin. The minutes were approved with a 6-0 vote.

Barbara Liebert, Executive Director introduced CHFFA's Financial Analyst Ms. Denise Callahan, Partner of Macias Gini & O'Connell LLP. Ms. Liebert also introduced Kristin Smith, the Authority's Counsel. Ms. Liebert reported due to the late passage of the State Budget CHFFA had limited figures to report to the board. Ms. Liebert reported that the bonds issued totaled \$19,683,472,017, the bonds outstanding as of June 30, 2007 were \$7,735,650,331 and no bonds issues closed in the month of June. The CHFFA fund balance was \$9,193,431. Ms. Liebert reported a HELP II Fund balance of \$24,658,829 and the Cedillo-Alarcón Clinic Grant Fund balance of \$1,348,649, the Anthem-Wellpoint Grant Fund balance was \$11,818,632, and the Children's Hospital Bond Act of 2004 Fund balance was \$454,849,182.

Ms. Liebert announced the Strategic Plan for the next year. First priorities are establishing Pass Through Savings guidelines and leveling the playing field with other conduit issuers. Other priorities are to improve CHFFA internal staff operations; update CHFFA's policy and procedure manuals; audit and improve existing programs; look at developing new programs; reviewing CHFFA's website to see if any improvements are needed; engage in marketing for all of CHFFA's programs; intent to have regular communication with the Executive Office, the Treasurer, Board Members and relevant Legislators that are in the community; make work enjoyable for Staff, Board Members and anyone that CHFFA interacts with on a monthly or daily basis. Ms. Frank suggested that the members receive progress reports of the Strategic Plan as the plan moves forward; Ms. Sheehan was concerned about the legal outcome of establishing Pass Through Savings guidelines; Ms. Liebert mentioned that Ms. Frank had requested an overview of the CHFFA programs and that CHFFA will address one program at each Authority Meeting. Jim Rennie made a presentation of the overview and work process for the Children's Hospital Program (CHP); Barry Scarff gave an update of the administrative workload of CHP. After a question and answer period from Board Members the Chair moved to other agenda items.

Item #4

**Children's Hospital & Research Center at Oakland
dba Children's Hospital Oakland
Resolution CHP 2007-04**

Jim Rennie, Analyst, introduced Douglas Myers, Senior Vice President and Chief Financial Officer and Mary Dean, Senior Vice President of External Affairs who provided the background of Children's Hospital Oakland.

Ms. Liebert stated that Children's Hospital Oakland is requesting grant funds of \$4,132,346 as reimbursement for the cost to replace and update older equipment and purchase new equipment for patient care. Staff recommended the Authority approve a resolution for Children's Hospital & Research Center at Oakland to provide a grant not to exceed \$4,132,346 (less costs of issuance) subject to all requirements of the Children's Hospital Program.

Anne Sheehan moved for adoption of the Resolution and Dr. Oscar Sablan seconded the motion. The motion was adopted with a 6-0 vote.

Item #5

**Asian Community Center of Sacramento
Valley, Inc. (the Center)
Resolution 323**

Lan Jaduram, Analyst, introduced Donna Yee, Executive Director and Raymond Gee Associate Account Manager of Asian Community Center of Sacramento Valley, Inc. who provided background of the Center. The Center requested the Authority approve a resolution in an amount not to exceed \$20,000,000.

Ms. Liebert stated that Asian Community Center of Sacramento Valley, Inc., would use the bond proceeds, along with equity funds, for the acquisition of the existing 166-unit independent living facility.

Staff recommended the Authority approve a Resolution in an amount not to exceed \$20,000,000 for Asian Community Center of Sacramento Valley, Inc. subject to a bond rating of at least an "A+" category rating by a nationally recognized rating agency.

Michael Carter moved for adoption of the Resolution and Anne Sheehan seconded the motion. The motion was adopted with by a vote of 5 - 1. (Judith Frank Nay).

Item #6

**Redlands Community Hospital (RCH)
Resolution E-24**

Martha Maldonado, Analyst, introduced Sabi Dadabhai, Chief Financial Officer, of Redlands Community Hospital (RCH) and Diane Potter, Bond Counsel, Orrick, Herrington & Sutcliffe. Mr. Dadabhai provided the background of Redlands Community Hospital. RCH requested equipment financing in an amount of \$5,000,000 for a term of 6 years.

Ms. Liebert said the Note proceeds would be used to purchase a Chiller (Liquid Cooling System), an MRI, IV pumps, radiological equipment, and information systems. Staff recommended the Authority approve a resolution for equipment financing for Redlands Community Hospital in an amount not to exceed \$5,000,000 for a term of 6 years and financing terms acceptable to the Authority.

Anne Sheehan moved for adoption of the Resolution and Judith Frank seconded the motion. The motion was adopted with a 6-0 vote.

Item #7

**Sequoia Community Health
Foundation, Inc. (SCHF)
Resolution HII-203**

Thera Hearne, Analyst, introduced Sybille Waiyaki, Chief Financial Officer and Dr. John Maffeo, Chief Executive Director of Sequoia Community Health Foundation, Inc. (SCHF). Dr Maffeo provided the background of SCHF. SCHF requested the Authority approve a HELP II Loan in an amount not to exceed \$430,000 for a term of 15 years.

Ms. Liebert said the loan proceeds will be combined with funding from the CHFFA Community Clinic Grant Program, and other sources in order to construct a dental facility. The proposed 6,725 square foot dental facility will provide much needed additional dental health services to the poor and medically underserved

populations in the community of Southwest Fresno. The new facility is expected to serve an additional 4,800 patients.

Anne Sheehan moved for adoption of the Resolution and Dr. Sablan seconded the motion. The motion was adopted with a 6-0 vote.

Item #8

**Aldea, Inc. (Aldea)
Resolution HII-204**

Yassar Dahbour, Analyst, introduced Mark Bontrager, Co-Executive Director of Aldea. Mr. Bontrager provided the background for Aldea, Inc. Aldea requested the Authority approve a HELP II Loan in an amount not to exceed \$575,000 for a term of 15 years.

Ms. Liebert said the HELP II Loan proceeds would be used to refinance two existing bank loans from WestAmerica Bank, totaling approximately \$561,000. Aldea will save approximately \$306,000 in debt service payments over the life of the loan during the next 15 years. This estimated savings is based on the new HELP II loan rate of 3% compared to the projected interest rates of 8.5% and 9% for Aldea's two loans (given today's current interest rates, Aldea's variable rate loans would adjust to these levels in 2007 and 2009, respectively).

Staff recommended the Authority approve a resolution for a HELP II loan in an amount not to exceed \$575,000 for a term not to exceed 15 years for Aldea, Inc. This loan is contingent upon financing terms acceptable to the Authority.

Harry Bistrin moved for adoption of the Resolution and Michael Carter seconded the motion. The motion was adopted with a 6-0 vote.

Item #9

**Interagency Agreement with the
State Treasurer's Office (STO)
Resolution 2007-08**

Ronald Washington, Deputy Executive Director requested the Authority approve an Interagency Agreement with the State Treasurer's Office (STO) an amount not to exceed \$296,565 for the Fiscal Year 2007-08.

Mr. Washington said the Authority relies on the STO for the expertise and staff necessary to perform administrative functions that would otherwise require substantial additional staffing and expense by the Authority.

The 2007-08 contract will be in the amount of \$296,565, an increase of \$18,558 from the prior year due to a budgetary adjustment. Staff recommended the Authority approve a resolution for the proposed Interagency Agreement with the State Treasurer's Office.

Judith Frank moved for adoption of the Resolution and Dr. Oscar Sablan seconded the motion. The motion was adopted with a 6-0 vote.

Having no further business or comments, Patricia Wynne called for a vote to adjourn the meeting. Anne Sheehan moved for adjournment of the meeting and Michael Carter seconded the motion. The motion was adopted with a 6-0 vote.