

## MINUTES

**California Health Facilities Financing Authority**  
**February 28, 2008 – 1:45 P.M.**  
**915 Capitol Mall, Room 587**  
**Sacramento, California**

Patricia Wynne sitting for Chairperson Bill Lockyer called the meeting to order.

Present:              Designee Patricia Wynne, Deputy State Treasurer  
                        Designee Vince Brown for Michael C. Genest, Department of Finance  
                        Designee Dave O'Toole for John Chiang, Controller's Office  
                        Dr. Oscar Sablan  
                        Sumi Sousa  
                        Greg Campbell (Arrived at 2:05 pm, during the PFM Presentation)

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) January 31, 2008, meeting were approved as submitted with a 6-0 vote.

Barbara Liebert, Executive Director, reported that the bonds issued totaled \$19,707,877,017, the bonds outstanding were \$7,601,576,625 and the CHFFA fund balance was \$8,938,440.84 as of January 31, 2008. Ms. Liebert reported as of January 31, 2008, a HELP II Fund balance of \$19,019,034, a Cedillo-Alarcón Clinic Grant Fund balance of \$512,362, an Anthem-Wellpoint Grant Fund balance of \$5,359,169, and a Children's Hospital Bond Act of 2004 Fund balance of \$442,328,063.

Ms. Liebert and John Bonow, Managing Director with Public Financial Management (PFM) reported on the changing market and ways in which CHFFA can help borrowers, including possible additional meeting dates and adjusting our document submission deadline.

After Mr. Bonow's and Ms. Liebert's presentation Ms. Wynne suggested that CHFFA hold a special meeting for the CHFFA borrowers and the borrowers of Joint Powers Authority lenders to let them know we understand what their concerns are. Ms. Liebert stated that CHFFA would be sending out an agenda to meet on March 11, 2008. Vince Brown asked if we would have an action item that would delegate authority to certain officers of the Authority to execute various documents in connection with the refunding and conversion of outstanding Healthcare Revenue Bonds to respond to the market conditions. Ms. Wynne stated legal said that CHFFA would not require the Pass-Through Savings requirement for the borrowers that come to the Authority for refunding of revenue bonds in this context.

**Item #4**

**Children's Hospital Central California (CHCC)**  
**Resolution No. CHP 2008-04**

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Jim Rennie, Analyst, introduced Michele Waldron, Chief Financial Officer and Jessie Hudgins, Vice President-Facilities. Ms. Waldron provided the background of Children's Hospital Central California. Children's Hospital Central California requested the Authority approve Children's Hospital Program Grant Funds in an amount not to exceed \$5,973,190.

Ms. Liebert stated that CHCC is requesting grant funds of \$5,973,190 to reimburse for the costs associated with patient care equipment including, but not limited to, a 16-slice CT scanner, new ventilators, and new ultrasound machine. Additional testing and diagnostic equipment was purchased for surgery, radiology, emergency and ambulatory clinics and the emergency department remodeling project converted office space into a new 8-bed minor care area. Staff recommended that the Authority approve a resolution to provide a grant in an amount not to exceed \$5,973,190 (less costs of issuance), subject to all requirements of the Children's Hospital Program.

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

**Item #5**

**Operation Samahan (OS)  
Resolution No. HII-214**

Karma Manni, Analyst, introduced Joel San Juan, Executive Director and Kin Sayvong, Finance Officer. Mr. San Juan provided the background of Operation Samahan (OS). OS requested the Authority approve a HELP II Loan in an amount not to exceed \$500,000 for a term of 15 years.

Ms. Liebert stated that loan proceeds would be used to expand the clinic's existing square footage by 2,200 square feet, providing for an increase in the number of medical exam rooms from five (5) to eight (8) plus three (3) new dental operatories. Staff recommended approval of a HELP II loan for Operation Samahan, Inc. in an amount not to exceed \$500,000, for a term not to exceed 15 years, and contingent upon financing terms acceptable to the Authority.

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

**Item #6**

**Alzheimer's Services of the East Bay (ASEB)  
Resolution HII-215**

Karma Manni, Analyst, introduced Karen Grimsich, Executive Director of Alzheimer's Services of the East Bay (ASEB). Ms. Grimsich provided the background of ASEB. ASEB requested the Authority approve a HELP II Loan in an amount not to exceed \$370,000 for a term of 10 years.

Ms. Liebert stated that loan proceeds would be used to refinance three existing loans: (1) a CHFFA loan with a balloon payment due in September 2008; (2) a National Cooperative Bank (NCB) loan; and (3) a line of credit with NCB. With the proposed financing, ASEB will save approximately \$73,000 in total interest savings over the life of the loan. Staff recommended approval of a HELP II loan for Alzheimer's Services of East Bay in an amount not to exceed \$370,000, for a term not to exceed 10 years, and contingent upon financing terms acceptable to the Authority.

Dave O'Toole moved for adoption of the Resolution and Dr. Sablan seconded the motion. The motion was adopted with a 6-0 vote.

**Item #7**

**Pass Through Savings Update  
Kurt Sjoberg**

Ms. Liebert introduced Kurt Sjoberg as the partner from the firm Sjoberg Evashenk Consulting, Inc. and former California State Auditor.

Mr. Sjoberg gave an extensive update to the board members of the Pass Through Savings From Tax-Exempt Bonds and presented the results and recommendations of his Pass-On Savings study dated February 28, 2008.

Having no further business or comments, Patricia Wynne called for a vote to adjourn the meeting. Sumi Sousa moved for adjournment of the meeting and Greg Campbell seconded the motion. The motion was adopted with a 6-0 vote.