

MINUTES

**California Health Facilities Financing Authority
January 5, 2010 – 1:30 P.M.
915 Capitol Mall, Room 587
Sacramento, California**

Patricia Wynne, Chairperson called the meeting to order at 1:33 P.M.

Roll Call

Members Present: Patricia Wynne for Bill Lockyer, State Treasurer
Ruth Holton-Hodson for John Chiang, Controller's Office
Jennifer Rockwell for Ana J. Matosantos, Department of Finance
Jack Buckhorn
Ronald Joseph
Harry Bistrin
Judith Frank
Dr. Oscar Sablan – Via Teleconference

Members Absent: Sumi Sousa

Staff Present: Barbara J. Liebert, Executive Director
Rosalind Brewer, Deputy Executive Director
Greg Matayoshi, Macias Gini & O'Connell LLP

The Chair declared a quorum present.

Executive Director's Report

Barbara Liebert presented the Executive Director's Report noting the following balances as of November 30, 2009: bonds issued \$24,194,717,017; bonds outstanding \$9,124,272,226; CHFFA's fund balance \$13,139,873; HELP II fund balance \$12,518,827; Cedillo-Alarcón Clinic fund balance \$204,354; Anthem-WellPoint fund balance \$603,361; Children's Hospital Bond Act of 2004 fund balance \$294,240,787, and the Children's Hospital Bond Act of 2008 fund balance \$882,444,827.

Ms. Liebert further reported there were no delegated powers exercised this month under the delegation resolution. Ms. Liebert also briefly discussed a recent site visit conducted by staff members Jim Rennie and Nickolas Saldivar to the Children's Hospital of Orange County (CHOC). Lastly, Ms. Liebert mentioned the following proposed prevailing wage language would soon be posted on the Authority's website: "Receipt of HELP II Loan Funds/CHP Grant Funds may trigger California's prevailing wage requirement for your project. The Authority recommends applicants and awardees consult with their legal counsel to determine the applicability of prevailing wage law specific to their project (Labor Code Section 1720, et seq.)."

Chair Wynne asked if this is the same language other state agencies use related to public funds of prevailing wage. Ms. Liebert replied the proposed language is nearly verbatim to the language utilized by the California Pollution Control Financing Authority also housed in the State Treasurer's Office.

Chair Wynne asked if there were any questions or comments from the Board members. Ruth Holton-Hodson replied the language appeared to be satisfactory.

Agenda Item #3, California Friends Homes, Resolution No. 246, was postponed.

Item #4

Sutter Health, Resolution No. 350

Yassar Dahbour, staff analyst introduced Svend Ryge, Treasurer of Finance and Vice President, Sutter Health, John Landers, Managing Director, Morgan Stanley, and Diane Potter, Esq., Bond Counsel, Orrick, Herrington and Sutcliffe. Mr. Dahbour then summarized the transaction for the Board, noting that bond proceeds (\$305,000,000) were proposed to be used to currently refund (in whole or in part) CHFFA/Sutter Health Series 1997C Bonds, CHFFA/Sutter Health Series 1998A Bonds, and CHFFA/Sutter Health Series 1999A Bonds, and to advance refund CHFFA/Sutter Health Series 2000A Bonds.

Ms. Liebert noted there is a guideline exception discussed in the staff report.

Ms. Holton-Hodson asked Sutter to quantify anticipated savings. Mr. Ryge replied that an accurate answer depends entirely on the market price of the bonds at the time they issued, but that Sutter estimates the net present value savings to be in the range of \$12,000,000.

Chair Wynne asked if there were any public comments. Hearing none, Jack Buckhorn moved approval of the Resolution and Ms. Holton-Hodson seconded the motion. The motion was adopted with a 7-0 vote. Judith Frank recused herself from the vote out of an abundance of caution to avoid a potential for conflict of interest given her ownership interest in Wells Fargo stock.

Item #5

**Shasta Community Health Center,
Amended Resolution No. HII-237**

Thera Hearne, staff analyst introduced Harold Carlson, Chief Planning and Development Officer of Shasta Community Health Center (SCHC). Ms. Hearne then summarized the proposed transaction for the board and recommended the Board amend the resolution originally approved by the Board at its April 30, 2009 Authority meeting. Ms. Hearne explained that if approved, this amended resolution would allow SCHC to change the permitted use of some of the loan proceeds previously approved by the board. Specifically, the amended resolution would allow SCHC to use more of the proceeds previously approved to purchase dental equipment. Upon Board approval, Ms. Hearne indicated staff would release the remaining balance of SCHC's HELP II loan funds in the amount of \$371,000.

Mr. Buckhorn asked Mr. Carlson whether prevailing wage requirements had been satisfied during the construction phase of their project.

Mr. Carlson replied that the company followed all of the requirements in the application.

Ms. Frank inquired whether the loan amortization schedule would be any different for the equipment (as opposed to the construction) phase of the loan. Ms. Liebert replied that the construction/renovation loan is amortized over 15 years, while the equipment portion of the loan would be amortized over five years.

Chair Wynne asked if there were any other comments from the Board members or from the public. Hearing none, Ms. Holton-Hodson moved approval of the Resolution and Mr. Bistrin seconded the motion. The motion was adopted with an 8-0 vote.

With no other business or public comment, Chair Wynne adjourned the meeting at 1:52 PM.