MINUTES

California Health Facilities Financing Authority
("CHFFA")
915 Capitol Mall, Room 587
Sacramento, California 95814

Alternate Location for CHFFA Teleconference Participation

QIU Accountancy Corporation
3580 Wilshire Blvd., Suite 1126
Los Angeles, CA 90010

April 26, 2012

Patricia Wynne, Chairperson called the meeting to order at 1:51 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 Judith Frank via teleconference Samuel Qiu via teleconference
Absent:	Ann Madden Rice Ronald Joseph Jack Buckhorn Dr. Oscar Sablan

Chairperson Wynne announced only action items would be entertained due to board member scheduling issues. All other items, including approval of the March 29, 2012 meeting minutes, Executive Director's Report, HELP II bi-annual report and the closed session items were moved to the next available CHFFA board meeting.

Item #4 Stanford Hospital & Clinics, Resolution No. 379

Michael Tang, Staff Analyst, introduced Tom Malm, Treasurer of Stanford Hospital and Clinics, Jonathan Ma, Vice President of Morgan Stanley and John Myers, Bond Counsel, Orrick Herrington and Sutcliffe. Stanford Hospital and Clinics requested the use of bond proceeds to finance the construction, expansion, remodeling, renovation, equipping, and acquisition of a new hospital located in Palo Alto and to refund all or a portion of the CHFFA Series 2003A Bonds.

Staff recommended the Authority approve Resolution No. 379 in an amount not to exceed $575 million subject to the conditions in the Resolution, including a bond rating of at least investment grade by a nationally recognized rating agency. Macias Gini & O'Connell, LLP, the Authority's financial analyst, and Public Financial Management, Inc., the Authority's financial advisor, concurred with the Authority's staff recommendations.

Chairperson Wynne asked if there were any questions or public comment. There were none.

Ms. Holton-Hodson moved approval of Resolution No. 379 and Ms. Rockwell seconded the motion. The Resolution was adopted with a 5-aye roll call vote.

Item #5 Rady Children's Hospital-San Diego, Resolution No. CHP-3 2012-02

Barbara Webster-Hawkins, Program Manager and Jim Rennie, Staff Analyst, introduced Barbara L. Ryan, Vice President, Government Affairs of Rady Children's Hospital–San Diego. Bond proceeds would be used by Rady Children's Hospital-San Diego to acquire, design and install an Electronic Medical Record System (EMR) on the hospital campus and other specified licensed and satellite locations in Encinitas, Oceanside, San Diego, Escondido, La Mesa, La Jolla, Solana Beach in San Diego County, and Murrieta in Riverside County.

Ms. Webster-Hawkins presented an in-depth discussion concerning EMR eligibility under the two Children's Hospital Bond Acts.

Staff recommended the Authority approve a resolution for Rady Children's Hospital – San Diego to provide a grant not to exceed $34,141,803 (less issuance and administrative costs) subject to all requirements of the Children's Hospital Program of 2008.

Chairperson Wynne asked if there were any questions or public comment.

Ms. Holton-Hodson asked if Rady Children's Hospital was accessing federal funds for their EMR project and if so, for the approximate dollar value of the available federal funding. Ms. Ryan confirmed Rady's access to federal funding, but she was unaware of the specific dollar amount.

Ms. Holton-Hodson then queried whether the duration of time for EMR implementation (noting that Rady began the project in 2008 and that Rady estimated completion by 2014) was excessive or within the time frame Rady's had originally planned for. Ms. Ryan responded by noting that EPIC, the installer of the EMR system, complimented the hospital on the short amount of time it has taken for Rady to get its existing EMR project in place.

Ms. Rockwell moved approval of Resolution No. CHP-3 2012-02 and Mr. Qiu seconded the motion. The Resolution was adopted with a 5-aye roll call vote.

Item #6 Reducing Fees for the Tax-Exempt Bond Program Ratification of Resolution No. 2012-03

Barbara Liebert, Executive Director presented the ratification of the Resolution of the Authority reducing the fees for the tax-exempt bond program adopted by the board on March 29, 2012. Counsel to the Authority directed staff to prepare a resolution memorializing the board's direction and furthered advised staff to present the resolution for formal ratification at the Authority's April 26 meeting.

Sarah Hollenbeck, Senior Managing Consultant of Public Financial Management, Inc. was available for comments.

Staff recommended ratification of Resolution No. 2012-03.

Chairperson Wynne asked if there were any questions or public comment. There were none.

Ms. Rockwell moved approval of Resolution No. 2012-03 and Ms. Holton-Hodson seconded the motion. The Resolution was adopted with a 5-aye roll call vote.

Item #7 **HELP II Loan Program Increase**
Ratification of Resolution No. 2012-04

Ms. Liebert, Executive Director presented the ratification of the Resolution of the Authority's approval of changes to the HELP II Loan Program adopted by the board on March 29, 2012. At the March 29 board meeting, the board converted an information item to an action item and voted to increase the maximum cumulative loan amount currently available in the HELP II loan program from $750,000 to $1,000,000. Counsel to the Authority directed staff to prepare a resolution memorializing the board's direction and furthered advised staff to present the resolution for formal ratification at the Authority's April 26 meeting.

Staff recommended ratification of Resolution No. 2012-04.

Chairperson Wynne asked if there were any questions or public comment. There were none.

Ms. Holton-Hodson moved approval of Resolution No. 2012-04 and Ms. Rockwell seconded the motion. The Resolution was adopted with a 5-aye roll call vote.

Item #8 **Affirm Approval of Resolution No. CHP-3 2011-01**
Rady Children's Hospital-San Diego

Ms. Webster-Hawkins, Program Manager requested to affirm approval of Resolution No. CHP-03 2011-01 due to inadvertent discrepancies between the grant amount on the agenda posted for the January 27, 2011 board meeting of $7,965,475 and the grant amount recommended by staff and approved by the board for the execution and delivery of grant funding under the Children's Hospital Bond Act of 2008 to Rady Children's Hospital-San Diego in the amount of $9,468,005.

The Board approved a grant in the amount of $9,468,055 to Rady Children's Hospital-San Diego's Children's Hospital at the January 27, 2011 Authority meeting. Although the Board approved the correct grant amount described in the staff report and resolution, an incorrect grant amount of $7,965,475 was inadvertently listed on the agenda. Staff presented this item to ensure public transparency of the inadvertent error and to affirm the board's original approval in January 2011.

Staff recommended the Authority affirm approval of Resolution No. CHP-3 2011-01 for Rady Children's Hospital–San Diego, in the amount of $9,468,055.

Chairperson Wynne asked if there were any questions or public comment. There were none.

Ms. Holton-Hodson moved approval of Resolution No. CHP-3 2011-01 and Ms. Rockwell seconded the motion. The Resolution was adopted with a 5-aye roll call vote.

Item #9 **HELP II Bi-Annual Report**

Agenda item was moved to the May 31, 2012 board meeting.

Item #10 **Litigation – (Government Code Section 11126(e)(1)). Conference with legal counsel regarding whether to initiate litigation as authorized by Government Code Section 11126(e)(2)(C)**

Agenda item was moved to the May 31, 2012 board meeting.

Item #11 **Other Business**

There was no other business presented. Chairperson Wynne asked for public comment. Hearing none, the meeting was adjourned at 2:10 P.M.