

MINUTES

**California Health Facilities Financing Authority
January 31, 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 Anne Sheehan for Michael C. Genest, Department of Finance
 Designee Michael Carter for John Chiang, Controller's Office
 Judith Frank
 Dr. John Hilinski
 Greg Campbell

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) December 6, 2007 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 \$8,926,407.78 as of December 31, 2007. Ms. Liebert reported a HELP II Fund balance of \$19,640,538, the Cedillo-Alarcón Clinic Grant Fund balance of \$526,869, the Anthem-Wellpoint Grant Fund balance was \$6,524,118, and the Children's Hospital Bond Act of 2004 Fund balance was \$446,478,231, as of December 31, 2007.

Item #4	Loma Linda University Medical Center (LLUMC)
	<u>Resolution No. CHP 2008-01</u>
Removed from the agenda	

Item #5	Children's Hospital of Orange County (CHOC)
	<u>Resolution CHP 2008-02</u>

Jim Rennie, Analyst, introduced Dave Schinderle, Vice President of Finance with Children's Hospital of Orange County. Mr. Schinderle provided the background of Children's Hospital of Orange County (CHOC). CHOC requested the Authority approve Grant Funds in an amount not to exceed \$23,923,488.

Ms. Liebert stated that CHOC is requesting grant funds of \$23,923,488 for several projects. The projects include: Hospital remodel and expansion; Ambulatory Care Center remodel and equipment purchases. Staff recommended that the Authority approve a resolution to provide a grant to Children's Hospital of Orange County not to exceed \$23,923,488 (less costs of issuance), subject to all requirements of the Children's Hospital Program.

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

Item #6

**Rady Children's Hospital - San Diego
Resolution CHP 2008-03**

Jim Rennie, Analyst, stated that there was a typographical error in the previously approved project period end date necessitating a change from April 30, 2010 (as stated in Resolution no. CHP 2007-06) to April 30, 2011.

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

Item #7

**Chapa-De Indian Health Program, Inc. (Chapa-De)
Resolution HII-212**

Yassar Dahbour, Analyst, introduced Pamela Padilla, Administrative Services Coordinator and Ann Massuere, Chief Financial Officer. Ms. Massuere provided the background of Chapa-De. Chapa-De requested the Authority approve a HELP II Loan in an amount not to exceed \$750,000 for a term of 5 years.

Ms. Liebert said the loan proceeds would be used to construct a one-story 28,000-square-foot building in Grass Valley to support higher demand for its existing facilities. HELP II loan proceeds will be used to support the purchase of medical and dental equipment for the new facility.

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

Item #8

**Central City Community Health Center (CC)
Resolution HII-213**

Thera Hearne, Analyst, introduced Dr. Gilbert Varela, Chief Executive Officer for Central City Community Health Center (CC). Dr. Varela provided the background of CC. CC requested the Authority approve a HELP II Loan in an amount not to exceed \$722,000 for a term of 15 years.

Ms. Liebert said the loan proceeds would be used along with other funds to acquire an existing facility CC currently leases. Once CC obtains ownership of the clinic property, CC will use the remaining loan proceeds, along with additional funding, to renovate and expand clinic capacity in order to address community needs and demand for additional services.

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

Item #9

**Operation Samahan ("OS")
Resolution HII-214**

Removed from the agenda

Item #10

**Brookside Community Health Center
Resolution HII-2008-01**

Removed from the agenda

Item #11

**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.

Item #12

**Presentation by Merrill Lynch & Co.
Cheryl Hines**

Patricia Wynne introduced Cheryl Hines, Director of Merrill Lynch & Co. Ms. Hines provided the Authority information why some of our borrowers have discontinued coming to the Authority for financing. Diane Potter of Orrick, Herrington and Sutcliffe provided some insight to the members as well.

The Chair opened the floor for public comments:

Jerry Burke representing California Statewide Communities Development Authority (CSCDA) came forward to comment on and to make some clarifications on Pass-Through Savings, which resulted in Diane Potter providing clarification on the requirements of Pass-Through Savings [unique to CHFFA], Public Benefit [required of all 501(c)(3) organizations] and Community Service Obligation [unique to California and administered by CHFFA].

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 Dr. John Hilinski seconded the motion. The motion was adopted with a 6-0 vote.