

**OFFICIAL MINUTES**  
**California Health Facilities Financing Authority**

**915 Capitol Mall, Room 587**  
**Sacramento, California**  
**Thursday, September 26, 2002**  
**1:45 PM**

The Meeting was called to order by Anne Stausboll sitting for Chairman Philip Angelides. Anne Stausboll welcomed and introduced the new Members of the Authority, Dr. A. Richard Grossman and Rudy Bermúdez. Members present were Annette Porini (sitting for Tim Gage), Cindi Aronberg (sitting for Kathleen Connell), Harry Bistrin, George Monardo, Dr. Theodore Hariton, Dr. A. Richard Grossman and Rudy Bermúdez. Also present were staff members Sumi Sousa, Executive Director, Terry Partington, Deputy Executive Director, Tom Noguerola, Counsel to the Authority. Judith N. Frank arrived at 2:25 PM, due to a flight delay. Anne Stausboll welcomed and introduced Ms. Frank to the other Members of the Authority.

The minutes of the July 25, 2002, meeting were approved as submitted. (Grossman and Bermúdez abstained).

The Executive Director's Report was presented covering the month of July 2002. As of July 31, 2002, bonds outstanding totaled \$6,385,648,501 and the fund balance was \$7,664,569.39. The Executive Director also reported that there were 10 borrowers with over \$100 million in CHFFA debt with a combined balance outstanding of \$5,041,758,478, which represents 79% of all CHFFA debt outstanding, and 10 equipment financings with a total balance outstanding of \$57,526,391. Two equipment financings (Emanuel Medical Center Series A and B) closed during the month. The Executive Director also reported a HELP II loan fund balance of \$16,942,753 and a clinic grant fund balance of \$14,168,373, respectively, as of July 31, 2002.

**Resolution No. E-21** – Loma Linda University Medical Center (LLUMC) requested the Authority to approve an equipment financing resolution in an amount not to exceed \$6,250,000. LLUMC will use the loan proceeds to purchase various equipment items which will enhance LLUMC's ability to provide high levels of care and reduce patient wait times. Staff recommended the Authority approve an equipment financing for Loma Linda University Medical Center in an amount not to exceed \$6,250,000, for a term of 5 years. After discussion by the Authority, a motion was made and seconded and the resolution was unanimously approved.

**Resolution No. HII-126** – Consolidated Tribal Health Project, Inc. (CTHP) requested the Authority to approve a HELP II resolution in an amount not to exceed \$215,000. CTHP will use the loan proceeds to expand an existing building to accommodate a new Community Wellness Center. CTHP will save approximately \$8,400 per year in interest payments in comparison to a commercial loan rate. Staff recommended the Authority approve a HELP II resolution with a second deed of trust for Consolidated Tribal Health Project, Inc. in an amount not to exceed \$215,000, for a term not to exceed 10 years, subject to the standard HELP II loan provisions. After discussion by the Authority, a motion was made and seconded and the resolution was unanimously approved.

**Resolution No. HII-128** – Samuel Dixon Family Health Center, Inc. (SDFHC) requested the Authority to approve a HELP II resolution in an amount not to exceed \$120,000. SDFHC will use the loan proceeds to refinance an existing loan with a balloon payment due in October 2002. In addition, SDFHC will use loan funds to renovate its reception area and purchase equipment. The refinancing portion of this HELP II loan will save SDFHC approximately \$3,000 per year in comparison to the current loan payment. Staff recommended the Authority approve a resolution for a HELP II Loan in an amount not to exceed \$120,000 for a term of 10 years for Samuel Dixon Family Health Center, Inc., subject to a final appraised value on the Val Verde property satisfactory to the Authority and the standard HELP II loan provisions. After discussion by the Authority, a motion was made and seconded and the resolution was unanimously approved.

**Resolution No. 2002-14** – Dexia Credit Local, (“Dexia”, formerly known as Credit Local de France) has indicated it will not extend the Letter of Credit providing enhancement of the SAVRS 1989 Series A & B pool, which expires December 22, 2002. Authority staff, Orrick, Herrington & Sutcliffe (Bond Counsel) and Joseph Dyson (Program Administrator) have secured a commitment from MBIA to replace the Letter of Credit. Staff recommended the Authority approve the MBIA Commitment to provide insurance on its SAVRS 1989 Series A & B Revenue Bonds, the Supplemental Indenture and form of Supplemental Lease Agreement and other documents more fully described in Resolution No. 2002-14, and the payment of any premium or other amount necessary to secure delivery of the Alternate Credit Facility in advance of receipt of payment of such amounts from the Lessees. After a discussion by the Authority, a motion was made and seconded and the resolution was unanimously approved.

Mr. Monardo submitted copies of Fitch Ratings handouts regarding healthcare to staff and asked that they be sent to all other Board Members. Mr. Monardo also requested that staff provide other rating agency information to the Board as it becomes available.

Mr. Bistrin requested staff to provide any rating agency action on the Authority’s top 10 borrowers to the Board.

Having no other business, the meeting was adjourned.