



MEETING AGENDA

July 28, 2020

4 p.m.

1. **Call to Order** and accept proof of publication of notice of meeting.
2. **Approve Minutes** of the meeting held on May 19, 2020.
3. **Open Forum/Public Comment:** The Health Facilities Authority allows any person to speak regarding agenda items other than ministerial or information only matters. Speakers must complete the speaking request form prior to the start of the meeting. Each speaker or group representative is limited to three (3) minutes of speaking time. Speakers shall refrain from abusive or profane remarks, disruptive outbursts, protests, or other conduct which interferes with the orderly conduct of the meeting.
4. **Financial Matters:**
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 - a. Baptist Health Care Corp Financing
 1. Consider approval of Resolution 2020-02 authorizing a Supplemental Trust Agreement and a Supplement Loan Agreement related to the Series 2010A Bonds (Baptist Hospital Inc. Project)
5. **Routine Authority Business:**
 - a. Update on Re-appointment of Michael Kohler to the Board for a 4 year term beginning August 22, 2020
 - b. Update on NAHEFFA Fall Conference

Next Scheduled Meeting of the Authority: August 25, 2020

PUBLIC NOTICE

The Escambia County Health Facilities Authority hereby provides notice that its next meeting will be held on Tuesday, July 28, 2020 at 4:00 PM (Central) via teleconference.

Instructions for Joining the Teleconference

Please follow the directions below, approximately five (5) minutes before a scheduled public meeting to ensure your ability to join-in virtually.

Dial-in Number: 1-866-848-2216

Conference Code: 4300589261

Once you have joined the meeting, please MUTE your phone or computer in order to reduce background noise, except for when speaking.

If you wish to speak during the meeting, please email the Board Administrator, Virginia Yeagle at vlyeagle@echealthfinance.org with your name, telephone number, and street address and the topic you wish to speak on. Once you have been recognized by the Board Chairman during the teleconference and invited to speak, you will have three (3) minutes to speak.

**ESCAMBIA COUNTY HEALTH FACILITIES AUTHORITY
MEETING MINUTES
May 19, 2020**

Members on Call: Eugene Franklin
Jim Hall
Michael Kohler
Susan Ashby

Members Absent: Keith Bullock

Others Present on Call: Virginia Yeagle, Administrator, CPA
Michael Stebbins, General Counsel

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1. **Call to order and accept proof of publication of notice of meeting.**
Chairman Franklin called the meeting to order at 4:08 p.m. This meeting is being held by telephone conference pursuant to Emergency Orders issued by Governor DeSantis for “stay at home” order due to the COVID-19 pandemic. Ms. Yeagle was present at the Authority’s office and conducted a roll call of Board Members on the call. The Board members on the conference call were Mr. Jim Hall, Mr. Michael Kohler, and Ms. Susan Ashby. Board member J Keith Bullock was absent. Also present were Virginia Yeagle, Administrator, Michael Stebbins, General Counsel. Also, on the conference call were representative from Saltmarsh, Cleaveland and Gund, CPAs, Ms. Allison Jones and Ms. Emily Lalas.

Notice of the meeting was published in the BCC weekly meeting notice in the Pensacola News Journal, on the Authority’s website, and a meeting notice was posted on the front door at the Authority’s office.

2. **Approve Minutes of February 18, 2020 meeting.**

Motion was made by Mr. Hall and seconded by Ms. Ashby to approve the minutes as presented. Motion passed unanimously.

3. **Open Forum/Public Comment – No member of the public attended either by teleconference or in person.** Ms. Yeagle stated that there had been no inquiry by any member of the public to attend by teleconference.

4. **Financial Matters:**

- a. **Presentation of audited financial statements for fiscal year ended September 30, 2019 by representatives of Saltmarsh, Cleaveland & Gund and acceptance by the Authority Board.**

Ms. Allison Jones, senior manager with SCG, presented the Authority’s audited financial statements for the fiscal year ended September 30, 2019 and the other reports required under Generally Accepted Governmental Auditing Standards and the State of Florida. Ms. Jones discussed the various components in the bound report, explaining the purpose of the each section and any significant changes from the prior fiscal year. Ms. Jones noted the elimination of the note disclosures regarding pensions. These notes are not needed since the Authority no longer has employees. Ms. Jones also directed attention to Notes 10 and 11 regarding subsequent events (Baptist 2020 Bonds) and the COVID 19 pandemic.

Not final until Approved

Ms. Jones also reviewed the reports on Internal controls, Compliance with laws and regulations, Compliance with FS 218.415 on Public Investments, and the management letter as required by the Auditor General of Florida. There is also a closing letter that will be distributed to the Board for their review. Ms. Jones said they incurred no issues with performing the audit and thanked Ms. Yeagle for her assistance. Ms. Jones also stated that there were no changes in accounting standards during the past year and they do not anticipate any standard changes by the Governmental Accounting Standards Board for at least a year.

Motion was made by Mr. Hall and seconded by Mr. Kohler to accept the audit as presented, Motion passed unanimously.

At this time, Ms. Jones and Ms. Lalas left the conference call.

b. Report on Operations for the period January 1 to April 30, 2020.

Ms. Yeagle presented the Reports on operations for the financial activity from January 1 to April 30, 2020. The presentation included the reports on bank account balances for each month in 2020 and a report on operations by bank account and credit card for the same period. Also presented was a report detail listing of securities held in the Regions Investment account showing Fair Market Value at April 30. Also presented was a Schedule of maturities for the securities held in the Regions Investment account. Ms. Yeagle stated that the new equipment upgrades and back- up systems have been completed.

Motion made by Mr. Kohler, seconded by Mr. Hall to accept the reports on operations as presented. Motion passed unanimously.

5. Routine Authority Business:

- a. **Re-appointment of Michael Kohler to the Board for a 4-year term beginning August 22, 2020.**

Ms. Yeagle stated that Mr. Kohler's current term expires on August 21, 2020. Mr. Kohler has agreed to serve another term if reappointed. There was discussion on whether a motion should be made or should this action be made by a consensus of the Board. Past reappointments have been made based on the Board member's desire to continue serving. There has not been a formal process for reappointment. As suggested by Counsel Stebbins, Chairman Franklin recommended a consensus by the Board for Mr. Kohler's reappointment. At this point, Mr. Kohler abstained from any discussion regarding his reappointment. Chairman Franklin asked for a consensus among the remaining Board members and they all agreed to recommend to the Escambia Board of County Commissioners that Mr. Kohler be reappointed for another 4- year term beginning August 22, 2020. Ms. Yeagle will prepare the letter to the BOCC requesting Mr. Kohler reappointment. Chairman Franklin asked that a discussion be held at the next Board meeting on policy and procedures to follow regarding Board member reappointments.

- b. **NAHEFFA Fall Conference - Milwaukee, WI September 16-18, 2020**

Ms. Yeagle stated that the Fall NAHEFFA conference is scheduled for September 16-18, 2020 in Milwaukee, WI. Currently, conference organizers still plan to hold the conference but will monitor the situation with the COVID pandemic and government advisories to determine if the conference will be cancelled. Ms. Yeagle will present more specifics on the conference and travel budget at the next Authority meeting

c. Miscellaneous Announcements and other matters.

On Monday May 18, 2020, the Authority received a preliminary notice from Baptist's Bond Counsel, Chapman and Cutler, that Baptist plans to proceed with the call of its 2010A bonds in August 2020 and enter into a purchase agreement with Bank of America to purchase all remaining outstanding bonds in the 2010A series. Ms. Yeagle has shared this preliminary notice with Mr. Randy Clements of BMO and Mr. Stebbins. A conference call is planned this week to begin work on this matter. Ms. Yeagle will keep the Board apprised of the discussions and developments.

There being no further business to discuss, the meeting adjourned at 3:00 pm.

RESOLUTION NO. 2020-02

A RESOLUTION OF THE ESCAMBIA COUNTY HEALTH FACILITIES AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL TRUST AGREEMENT AND A SUPPLEMENTAL LOAN AGREEMENT RELATED TO THE ESCAMBIA COUNTY HEALTH FACILITIES AUTHORITY HEALTH CARE FACILITIES REVENUE BONDS, SERIES 2010A (BAPTIST HOSPITAL, INC. PROJECT); PROVIDING FOR OTHER MATTERS AND GENERAL AUTHORIZATIONS IN CONNECTION WITH THE FOREGOING; PROVIDING A SEVERABILITY CLAUSE, A REPEALING CLAUSE AND EFFECTIVE DATE.

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of the Florida Health Facilities Authorities Law, Part III, of Chapter 154, Florida Statutes, as amended, the Florida Industrial Development Financing Act, Part II, Chapter 159, Florida Statutes, as amended, and by resolutions of the Board of County Commissioners of Escambia County, Florida adopted March 6, 1975 and May 29, 1980, and other applicable provisions of law (collectively, the "Act").

SECTION 2. FINDINGS. The Escambia County Health Facilities Authority (the "Issuer") hereby finds and determines the following:

A. The Issuer is a health facilities authority duly created and existing as a special district and duly constituted as a public instrumentality for the purposes of financing the development of health facilities and is duly authorized and empowered by the provisions of the Act, to provide for the issuance of and to issue and sell revenue bonds, for the purpose of financing and refinancing, including through reimbursement, all or any part of the "cost" of any "project," including any "health facility" or "health care facility" (as such terms are defined in the Act), in order to promote and foster the economic growth and development of Escambia County, Florida (the "County") and of the State of Florida (the "State"), to enhance and expand industry and other economic activity in the County and the State, and to increase the purchasing power and opportunities for gainful employment, to improve living conditions and to advance and improve the prosperity, health and the welfare of the State and its inhabitants, to foster the business development of the County and the State, and to otherwise provide for and contribute to the health, safety and welfare of the people of the County and the State.

B. The Issuer previously issued its Escambia County Health Facilities Authority Health Care Facilities Revenue Bonds, Series 2010A (Baptist Hospital, Inc. Project) (the "Bonds") pursuant to a Trust Agreement dated as of February 1, 2010 (the "Original Trust Agreement") between the Issuer and Regions Bank, as bond trustee (the "Bond Trustee"), and loaned the proceeds of the Bonds to Baptist Hospital, Inc. (the "Borrower") pursuant to a Loan Agreement dated as of February 1, 2010 (the "Original Loan Agreement") between the Issuer and the Borrower.

C. To evidence and secure the loan, the Borrower, as Obligated Group Representative, issued Obligation No. 21 (the "Obligation") pursuant to the Master Trust Indenture dated as of June 1, 1998, as supplemented and amended (the "Original Master Indenture"), among the Borrower, The Baptist Manor, Inc. and Regions Bank, as master trustee (the "Master Trustee"), and the Issuer assigned the Obligation to the Bond Trustee to secure the Bonds.

D. The Original Master Indenture has been amended and restated by the Amended and Restated Master Trust Indenture dated as of February 1, 2020, among the Borrower, Baptist Health Care Corporation, Baptist Health Care Foundation, Inc., Baptist Medical Group, LLC, Baptist Urgent Care, LLC, Jay Hospital, Inc., Lakeview Center, Inc., Global Connections to Employment, Inc. and Baptist Brent Lane Properties, LLC and the Master Trustee (as supplemented and amended, the "Master Indenture").

E. Pursuant to a Purchase Agreement dated May 20, 2020 between Bank of America, N.A. (the "Purchaser") and the Borrower, the Purchaser has agreed to purchase all of the outstanding Bonds on August 17, 2020.

F. The Borrower desires the Issuer execute and deliver a Supplemental Trust Agreement (the "Supplemental Trust Agreement" and, together with the Original Trust Agreement, the "Trust Agreement") which provides for amendments to the Original Trust Agreement eliminating the requirement to maintain moneys in the Debt Service Reserve Fund established by the Original Trust Agreement and directing the moneys currently on deposit in the Debt Service Reserve Fund to be used to pay a portion of the principal of and interest on the Bonds maturing on August 15, 2020 and to pay the redemption price of a portion of the Bonds maturing on August 15, 2024 (the "Reserve Fund Amendments").

G. The Borrower also desires that the Issuer execute and deliver a Supplemental Loan Agreement (the "Supplemental Loan Agreement" and, together with the Original Loan Agreement, the "Loan Agreement"), which provides for amendments to the Original Loan Agreement in order to reflect the amendment and restatement of the Original Master Indenture (the "Master Indenture Amendments" and, together with the Reserve Fund Amendments, the "Amendments").

H. The Purchaser, as the owner of 100% of the outstanding principal amount of the Bonds, the Bond Trustee and the Borrower will consent to the execution and delivery of the Supplemental Trust Agreement and the Supplemental Loan Agreement.

SECTION 3. AUTHORIZATION OF EXECUTION AND DELIVERY OF THE SUPPLEMENTAL TRUST AGREEMENT. The Supplemental Trust Agreement in substantially in the form attached hereto as Exhibit A, with such changes, corrections, insertions and deletions as may be approved by the Chairman or Vice Chairman of the Issuer, such approval to be evidenced conclusively by their execution thereof, is hereby approved and authorized. Subject to receipt by the Issuer of (a) an opinion of Chapman and Cutler LLP, as bond counsel to the

Borrower, to the effect that the Amendments will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds and (b) the consents to the Amendments of the owner of 100% of the outstanding principal amount of the Bonds, the Bond Trustee and the Borrower, the Chairman or Vice-Chairman of the Issuer is hereby authorized to date and execute and the Secretary or Assistant Secretary of the Issuer is hereby authorized to attest, under the official seal of the Issuer, the Supplemental Trust Agreement, and to deliver such Supplemental Trust Agreement to the Bond Trustee, when finalized.

SECTION 4. AUTHORIZATION OF EXECUTION AND DELIVERY OF THE SUPPLEMENTAL LOAN AGREEMENT. The Supplemental Loan Agreement in substantially in the form attached hereto as Exhibit B, with such changes, corrections, insertions and deletions as may be approved by the Chairman or Vice Chairman of the Issuer, such approval to be evidenced conclusively by their execution thereof, is hereby approved and authorized. Subject to receipt by the Issuer of (a) an opinion of Chapman and Cutler LLP, as bond counsel to the Borrower, to the effect that the Amendments will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds and (b) the consents to the Amendments of the owner of 100% of the outstanding principal amount of the Bonds, the Bond Trustee and the Borrower, the Chairman or Vice-Chairman of the Issuer is hereby authorized to date and execute and the Secretary or Assistant Secretary of the Issuer is hereby authorized to attest, under the official seal of the Issuer, the Supplemental Loan Agreement, and to deliver such Supplemental Loan Agreement, when finalized.

SECTION 5. GENERAL AUTHORIZATION. The Chairman, the Vice Chairman, the Secretary, Assistant Secretary, Administrator, General Counsel to the Issuer and Issuer Special Counsel are hereby authorized and directed to do all the acts and things required of them by the provision of this Resolution, the Trust Agreement and the Loan Agreement. In furtherance of this directive, the officers, employees and agents of the Issuer are hereby authorized and directed to execute such documents, certificates, notices, tax returns, redemption notices, instruments and contracts, whether or not expressly contemplated hereby, and to do all acts and things required by the provisions of this Resolution and by the provisions of the Bonds, the Trust Agreement and the Loan Agreement authorized herein, as may be necessary for the full, punctual and complete performance of all the terms, covenants, provisions and agreements herein and therein contained, or as otherwise may be necessary or desirable to effectuate the purpose and intent of this Resolution.

SECTION 6. NO PERSONAL LIABILITY. No representation, statement, covenant, warranty, stipulation, obligation or agreement herein contained, or contained in the Bonds, the Trust Agreement or the Loan Agreement or any certificate or other instrument to be executed on behalf of the Issuer in connection with the execution and delivery of the Supplemental Trust Agreement and the Supplemental Loan Agreement (the "Supplemental Documents"), shall be deemed to be a representation, statement, covenant, warranty, stipulation, obligation or agreement of any commissioner, officer, member, employee, or agent of the Issuer or the County in his or her individual capacity, and none of the foregoing persons nor any officer of the Issuer executing the Supplemental Documents or any certificate or other instrument to be executed in

connection with the execution and delivery of the Supplemental Documents shall be liable personally thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

SECTION 7. NO THIRD PARTY BENEFICIARIES. Except as otherwise expressly provided herein or in the Trust Agreement or the Loan Agreement, nothing in this Resolution, or in the Bonds, the Trust Agreement or the Loan Agreement, express or implied, is intended or shall be construed to confer upon any person, firm, corporation or other organization, other than the Issuer, the Borrower and the Bond Trustee (and the owners from time to time of the Bonds) any right, remedy or claim, legal or equitable, under and by reason of this Resolution or any provision hereof, or of the Bonds, the Trust Agreement or the Loan Agreement, all provisions hereof and thereof being intended to be and bring for the sole and exclusive benefit of the Issuer, the Borrower and the Bond Trustee (and the owners from time to time of the Bonds).

SECTION 8. PREREQUISITES PERFORMED. All acts, conditions and things relating to the passage of this Resolution, required by the Constitution or other laws of the State to happen, exist and be performed precedent to the passage hereof, exist, have happened, and have been performed as so required.

SECTION 9. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions, and shall in no way affect the validity of any of the other provisions hereof or of the Bonds.

SECTION 10. REPEALING CLAUSE. All resolutions or parts thereof in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

SECTION 11. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

ADOPTED this 28th day of July, 2020.

(SEAL)

**ESCAMBIA COUNTY HEALTH
FACILITIES AUTHORITY**

By: _____
Eugene Franklin, Chairman

ATTEST:

By: _____
Mike Kohler, Secretary

EXHIBIT A
FORM OF SUPPLEMENTAL TRUST AGREEMENT

EXHIBIT B
FORM OF SUPPLEMENTAL LOAN AGREEMENT