



MEETING AGENDA

August 25, 2020

4 p.m.

1. **Call to Order** and accept proof of publication of notice of meeting. Welcome returning Board Members Michael Kohler who has been reappointed for a new term effective August 22, 2020 through August 21, 2024
2. **Approve Minutes** of the meeting held on July 28, 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:**
 - a. Report on Operations for the period May 1 to July 31, 2020
 - b. Adopt Budget for FY 2021; adopt Resolution 2020-03 approving the FY 2021 budget matters
5. **Operations:**
 - a. Review and Approval of Administrator's performance evaluation
 - b. Election of Officers for fiscal year 2021; adopt Resolution 2020-04 designating the officers elected
 - c. Establishing policies and procedures regarding appointment and reappointment of Board Members

Routine Authority Business:

- a. Dixon School of the Arts – Grant and Clinic Grand Opening
- b. Update on NAHEFFA Fall Teleconference

Next Scheduled Meeting of the Authority: October 27, 2020

PUBLIC NOTICE

The Escambia County Health Facilities Authority hereby provides notice that its next meeting will be held on Tuesday, August 25, 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 either 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
July 28, 2020**

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

Members Absent: Keith Bullock

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

1. **Call to order and accept proof of publication of notice of meeting.**

Chairman Franklin called the meeting to order at 4:00 p.m. Chairman Franklin was present by telephone for the entire meeting. 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. Michael Kohler, J Keith Bullock and Ms. Susan Ashby. Board member Mr. Jim Hall joined the meeting at 4:10. Also present were Virginia Yeagle, Administrator, Michael Stebbins, General Counsel and Randall Clements with Bryant Miller Olive (BMO), Authority Bond Counsel.

Additionally, on the conference call for the Baptist Health Care Group were: Rob Tonkinson, CFO for Baptist Hospital; Mike Gleason, CFO for Baptist Health Care Corporation; and Megan Rudd, Chapman and Cutler, Bond Counsel for the Baptist financing.

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 May 19, 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** – Ms. Zenani Johnson, Governmental Liaison with the Escambia County Administrator’s office, was attending by teleconference but did not wish to make any comments. Ms. Yeagle stated that there had been no inquiry by any member of the public to attend in person or by teleconference, other than Ms. Johnson.
4. **Financial Matters:**
 - a. **Baptist Health Care Corp Financing**
 1. **Consider approval of Resolution 2020-02 authorizing a Supplemental Trust Agreement and a Supplemental Loan Agreement to the Series 2010A Bonds (Baptist Hospital Inc. Project)**

Not final until Approved

Ms. Megan Rudd with Chapman and Cutler explained the transaction Baptist wishes to enter into with Bank of America concerning the Series 2010A Bonds.

The Series 2010 bonds had annual redemptions beginning August 15, 2011, through August 15, 2020 and 3 series of term bonds due as follows: \$18,195,000 Term Bonds due 8/15/2024, bearing interest at 5.50%; \$36,440,000 Term Bonds due 8/15/2029, bearing interest at 5.75%; and \$73,075,000 Term Bonds due 8/15/3036, bearing interest at 6.05%

The Bonds are subject to optional purchase by the Corporation on or after August 15, 2020, at a purchase price equal to 100% of the principal amount being purchased, plus accrued interest to the date of the purchase. The Corporation will exercise such right on August 17, 2020 and Bank of America, N.A. (the "Purchaser") has agreed to purchase \$127,710,000 of the Bonds (which represents all of the outstanding Bonds, less the \$3,760,000 which will mature on August 15, 2020). On such date, as the sole holder of the Bonds, the Purchaser (BOA) will consent to the amendment of the Bond Indenture and Loan Agreement to provide that the moneys held in the debt service reserve fund securing the Bonds (approximately \$13,708,000) can be released and that the debt service reserve fund will no longer be required to be funded. The moneys released from the debt service reserve fund will be used to pay a portion of the principal (\$3,760,000) and interest on the Bonds maturing on August 15, 2020 and to redeem a portion of the Bonds maturing on August 15, 2024. The Bonds will continue to bear interest at fixed interest rates, will continue to be rated by Moody's and Fitch and will continue to be held by DTC.

In connection with the purchase of the Bonds, the Purchaser and the Corporation have entered into three confirmations of total return swap agreements with respect to a portion of the Bonds maturing in 2024 and all of the Bonds maturing in 2029 and 2036 (the "Total Return Swaps") which will become effective on August 17, 2020. Under the Total Return Swaps structure, the Corporation will continue to make interest payments on the Bonds, the Purchaser will make payments in the same amount of interest on the Bonds to the Corporation and the Corporation will pay an amount equal to SIFMA plus a negotiated spread to the Purchaser.

Mr. Gleason explained why this transaction is important to Baptist and the cost savings it will bring as to their cost of capital. This transaction was considered when the 2020 Series bond were issued, but due to the maturity date of August, could not be part of the 2020 issue.

Mr. Kohler asked for clarification as to the use of the debt service funds and the amount of funds that will be available from the debt service fund. Ms. Rudd explained that the debt service funds are held by Regions as bond trustee. The funds are currently invested and the exact amount available will not be known until the investments are liquidated, which will most likely be early August. Mr. Kohler also asked how this transaction will affect the taxability of the bonds. Ms. Rudd said it should not affect taxability since the bonds will remain outstanding just owned by one buyer. Furthermore, Mr. Clement, the bond counsel for the Authority, explained that this will be covered in the bond counsel opinion. Ms. Rudd explained that the Resolution is necessary since the Trust agreement and loan agreements are being amended to reflect the elimination of the debt service fund requirement.

Not final until Approved

Motion was made by Mr. Kohler and seconded by Mr. Hall to approved Resolution 2020-02, subject to a favorable opinion from Bond Counsel and updated information in Section 2.3 of the First Supplemental Trust Agreement regarding the Debt Service Reserve Fund”. Quorum of the Board was present for the vote. Motion passed unanimously.

At this time, Ms. Rudd, Mr. Gleason, Mr. Tonkinson and Mr. Clements left the conference call.

5. Routine Authority Business:

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

Ms. Yeagle stated that Mr. Kohler was expected to be re-appointed by the Board of County Commissioners at their August 20, 2020 meeting. She plans to attend the meeting to address any questions the Board has on Mr., Kohler’s re-appointment.

b. Update on NAHEFFA Fall Conference – Milwaukee, WI September 16-18, 2020

Ms. Yeagle stated that the Fall NAHEFFA conference scheduled for September 16-18, 2020 in Milwaukee, WI. has been cancelled due to the COVID -19 pandemic. The NAHEFFA conference committee is pursuing a virtual conference to be held in October. More information will be presented when available.

c. Miscellaneous Announcements and other matters.

There was no miscellaneous announcement or other matters.

There being no further business to discuss, the meeting adjourned at 4:25 pm.

Minutes approved in public meeting on this 25th day of August, 2020.

ESCAMBIA COUNTY HEALTH FACILITIES AUTHORITY

ATTEST:

By: _____
Chairman or Vice Chairman

Secretary or Assistant Secretary

RESOLUTION 2020-3

A RESOLUTION OF THE ESCAMBIA COUNTY HEALTH FACILITIES AUTHORITY APPROVING THE ADOPTION OF THE BUDGET FOR FISCAL YEAR ENDING SEPTEMBER 30, 2021; PROVIDING FOR AMENDMENT OF SAID BUDGET FROM TIME TO TIME; PROVIDING FOR POSTING ON OFFICIAL WEBSITE; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE ESCAMBIA COUNTY HEALTH FACILITIES AUTHORITY:

Section 1. Adoption of Annual Budget: The Escambia County Health Facilities Authority (the "Authority") hereby adopts the attached annual budget for the fiscal year commencing on October 1, 2020 and ending September 30, 2021.

Section 2. Amendment of Budget: This budget may be amended by resolution from time to time as necessary during the fiscal year, or within 60 days following the end of the fiscal year, at a regular meeting of the Authority or a special meeting called for that purpose. The Authority hereby authorizes the Administrator to make line-item amendments to the budget during the fiscal year provided that the total appropriation for the annual budget does not increase.

Section 3. Website Requirements: The final adopted budget of the Authority shall be posted on the Authority's official website within 30 days after adoption. Budget amendments authorized by resolution shall be posted to the website within 5 days after adoption.

Section 4. Effective Date: This Resolution shall take effect immediately upon its adoption.

DULY ADOPTED in public meeting on this 25th day of August 2020.

**ESCAMBIA COUNTY HEALTH
FACILITIES AUTHORITY**

By: _____
Chairman

Attest:

Secretary

ESCAMBIA COUNTY HEALTH FACILITIES AUTHORITY
Fiscal Year 2021 BUDGET (proposed)
OCTOBER 1, 2020- SEPTEMBER 30, 2021

<u>REVENUES</u>	<u>Proposed FY 21 BUDGET</u>	<u>FY 20 Budget</u>
Annual Bond Fees	\$ 32,000.00	\$ 39,715.00
Interest & Investment Income	\$ 40,000.00	\$ 72,285.00
From Long Term Operations Reserve Fund	\$ 65,000.00	\$ 30,000.00
TOTAL OPERATING REVENUES:	\$ 137,000.00	\$ 142,000.00
<u>EXPENDITURES</u>		
Accounting & Auditing	\$ 13,500.00	\$ 13,000.00
Annual Dues and Fees	\$ 2,000.00	\$ 2,000.00
Authorized Travel & Education	\$ 25,000.00	\$ 25,000.00
Equipment & Furnishings	\$ 1,000.00	\$ 3,500.00
Investment Advisor Fees	\$ 4,000.00	\$ 3,500.00
Legal & Professional Services	\$ 6,000.00	\$ 10,000.00
Non Employee Services	\$ 59,000.00	\$ 58,750.00
Office Operational Expenses	\$ 11,000.00	\$ 11,000.00
Office Rent	\$ 15,500.00	\$ 15,250.00
TOTAL OPERATING EXPENDITURES:	\$ 137,000.00	\$ 142,000.00

RESOLUTION 2020 - 04

ELECTION OF OFFICERS

BE IT RESOLVED BY THE ESCAMBIA COUNTY HEALTH FACILITIES AUTHORITY:

Section 1. It is the practice of the Authority to elect officers annually, and the terms of those currently holding office will expire on September 30, 2020 or when their successors have been elected, qualified and take office.

Section 2. In public meeting on this 25th day of August, 2020 the Authority officially takes action to designate and elect the following members to hold the offices of Chairman, Vice Chairman, Secretary, and Assistant Secretary for the term designated herein:

Chairman	Arthur J. Hall, Jr.
Vice Chairman	Michael Kohler
Secretary	JK Bullock
Assistant Secretary	Susan Ashby

Section 3. The above designated officers shall each hold their respective offices for a period of one year commencing October 1, 2020 and terminating on September 30, 2021, or until their successors are elected and have qualified. The officers shall perform the duties and responsibilities of their respective offices as set forth in the Authority's bylaws, or as may be established from time to time as a policy or procedure of the Authority.

Section 4. In the absence of the Chairman, the Vice Chairman shall serve as Acting Chairman and perform the duties of the Chairman. In the absence of the Secretary, the Assistant Secretary shall perform the duties of Secretary. When a vacancy occurs in an office having an unexpired term, the Chairman or Acting Chairman shall designate a Board Member to fill the office until the next election. Such designation(s) shall be made during a regular meeting and recorded in the minutes.

Section 5. This resolution shall take effect upon its adoption.

DULY ADOPTED this 25th day of August, 2020.

ESCAMBIA COUNTY HEALTH FACILITIES AUTHORITY

By: _____
Chairman

ATTEST:

Secretary