



ESCAMBIA COUNTY HEALTH FACILITIES AUTHORITY

MEETING AGENDA February 18, 2020 4 p.m.

1. Call to order and accept proof of publication of notice of meeting.
2. Approve Minutes of January 14, 2020 meeting.
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. Final Report on Baptist Health Care Corporation Bond Offering Series 2020A and 2020B
 - b. Consideration of Resolution 2020-01 “Post Bond Issuance Tax Compliance Policies & Procedures”
5. **Operations:**
 - a. NAHEFFA Spring Conference – April 27-29, 2020 Charleston, SC
Agenda, travel accommodations and travel budget
 - b. Authority travel policy – Revisions for automobile travel
6. **Routine Authority Business:**
 - a. Redesign of logo for Authority
 - b. Upgrade to computer system, maintenance and back up
 - a. Miscellaneous Announcements and other matters.

Next scheduled meeting of the Authority: March 24, 2020

**ESCAMBIA COUNTY HEALTH FACILITIES AUTHORITY
MEETING MINUTES
January 14, 2020
4 p.m.**

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

Others Present: Virginia Yeagle, Administrator, CPA
Paula G. Drummond, Special Counsel

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

Chairman Franklin called the meeting to order at 4 p.m. Additional Board Members in attendance were Mr. Jim Hall, Mr. Michael Kohler, Mr. Keith Bullock and Ms. Susan Ashby. Also present were Virginia Yeagle, Administrator and Paula G. Drummond, Special Counsel.

The Authority's calendar of meetings for 2020 was published in the Pensacola News Journal on December 20, 2019. Notice of the meeting was published in the BCC weekly meeting notice in the Pensacola News Journal on Saturday January 4 and 11, 2020 and on the Authority's website since the December 17, 2019 meeting.

2. Approve Minutes of December 17, 2019 meeting.

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

3. Open Forum/Public Comment – No member of the public attended.

4. Financial Matters:

1. Status update on Baptist Health Care Corporation Bond Offering Series 2020A and 2020B

Ms. Drummond gave an update of the Status of the 2020 bonds. The rating agencies will be releasing their ratings this week and Baptist expects the bonds to be rated as investment grade. Once the ratings are publicly released, they will be provided to the Board.

Ms. Drummond explained that both Escambia and Santa Rosa County Boards of County Commissioners had approved the bond resolutions. Both commissions were complimentary of Baptist and support the new facility. The timeframe for issuing the bonds calls for pricing the week of January 20 with closing estimated to be February 4th or 5th. Chairman Franklin and Secretary Kohler will need to be available the final week of January to sign the various documents for the closing. This timetable is subject to change and is being adjusted weekly. The last possible close date will February 12, 2020.

2. Reports on Operations for the months of November and December 2019.

Ms. Yeagle presented the Report on Account Balances for December 31, 2019 and November 30, 2019 as well as the report on Operations for the period November 1 to December 31, 2019. Ms. Yeagle highlighted the payment of the Lakeview grant in early November with funds from the PRIME account and the Regions investment

account. Other expenditures included a progress payment on the FYE 2019 audit, payment for court reporter for the TEFRA hearing and domain registration of the Authority's website with GO DADDY.

Motion was made by Mr. Hall and seconded by Mr. Bullock to approve the Reports on Operations as presented. Motion passed unanimously.

3. Report on Investments

Ms. Yeagle presented the reports on the Investment Account as of December 31, 2019. The reports show investments held and their fair market value. Ms. Yeagle also presented a Schedule of Maturities for the investments held as 12-31-2019. Ms. Yeagle stated that monies from maturing investments are being reinvested in short term bonds (less than 2yrs). Most of the US Treasury bonds have matured and Ms. Yeagle is working with the investment advisor at Regions to find appropriate replacement investments.

Motion was made by Mr. Hall and seconded by Mr. Bullock to approve the Reports on Investments as presented. Motion passed unanimously.

4. Discussion on Revisions to Proposed Future Bond Fees

Chairman Franklin requested the Board continue the discussion of the Authority Bond fee structure given the fees quoted to Baptist for the 2020 bonds. Chairman Franklin asked for a comparison to the Authority's 2013 Fee schedule and fees charged by similar conduit bond issuers. Ms. Drummond discussed the fees quoted in December 2019 and accepted by Baptist. She advised the large size of the Baptist bond issuance did not fit into the Authority's existing fee structure and allow for equitable fees. Ms. Drummond explained that there has been a move over the past 10 years for conduit issuer fee structures and attorney's fees to be calculated using a basis point factor. Ms. Drummond compared the Authority's proposed fee structure on the Baptist transactions to other conduit bonds issuers and their fees as reported in the 2019 NAHEFFA Annual Member Questionnaire. Ms. Drummond explained the Administration's rationale for recommending an upfront financing fee but no annual fee for the Baptist bonds. Ms. Drummond also explained that borrowers prefer the upfront fees as they can be paid as a cost of issuance. Ms. Yeagle stated that she ran a net present value calculation on the proposed Baptist fee vs an annual fee over the life of the bonds and the upfront fee was more advantageous for the Authority

Board members asked various questions regarding the basis points charged and how legal counsel is compensated. Ms. Drummond stated the fees calculated using a basis point factor could in some cases be less than comparable hourly fees charged by experienced legal counsel, given the time involved to draft and review documents, and participate in hearings, meetings and working group sessions. She explained the difference between legal fees charged by attorneys rendering formal opinions in a bond transaction, such as Bond or Issuer's Counsel; and those who provided services as special counsel. She concluded by recommending that the Authority reserve the flexibility in any future fee schedule to take into account the size and type of financing requested.

The Board requested Ms. Yeagle work on a new Bond Fee Structure for the Authority given a market trend towards fees based on a basis points structure and bring to the Board for discussion at a future Board meeting.

5. Operations:

1. Status of Financial Audit for FYE 9-30-19

Ms. Yeagle gave an update of the progress of the audit. She stated that the fieldwork has been completed. A subsequent event disclosure will be needed for the Baptist Bonds and the auditors are waiting for the final details before completing a draft of the audit. The auditors will make their presentation at the March 24, 2020 meeting.

6. Routine Authority Business:

1. NAHEFFA Conference – April 27-29, 2020 Charleston, SC

Ms. Yeagle stated that conference registration and agenda will be released soon. Conference registration will be \$450 per participant. Opening reception will be Monday April 27 with the conference concluding on Wednesday April 29. Ms. Yeagle will bring more details on the conference to the February meeting.

2. Board members were provided with updated Board contact information. Several corrections were noted. Ms. Yeagle will make the corrections to the master list.

There being no further business to discuss, the meeting adjourned at 5:15 pm.

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Minutes approved in public meeting on this 18th day of February, 2020.

ESCAMBIA COUNTY HEALTH FACILITIES AUTHORITY

ATTEST:

By: _____
Chairman or Vice Chairman

Secretary or Assistant Secretary