

Minutes of the New Jersey Health Care Facilities Financing Authority meeting held on May 24, 2012 on the fourth floor of Building #4, Station Plaza, 22 South Clinton Avenue, Trenton, NJ.

*The following **Authority Members** were in attendance:*

Gus Escher, Public Member (Chairing); Joe Lario, Designee of the Commissioner of Health and Senior Services; Robert Bollaro, Designee of the Commissioner of Human Services; Maryann Kralik, Designee of the Commissioner of Banking and Insurance; and via telephone: Dr. Munr Kazmir, Public Member and Suzette Rodriguez, Public Member.

*The following **Authority staff members** were in attendance:*

Mark Hopkins, Steve Fillebrown, Ron Marmelstein, Suzanne Walton, Michael Ittleson, Carole Conover, Linda Hughes, Bill McLaughlin, Bernie Miller, Ellen Lieber, Miriam Bolger, Edwin Fuentes and Christopher Kulick.

*The following **representatives from the State and/or the public** were in attendance:*

Cliff Rones, Deputy Attorney General; John Cascarano, Governor's Authorities Unit; Ryan Feeney, NJ Treasury Department; Gary Terrinoni and Edward Sullivan of Kennedy Health System; Marcello Guarneri of Holy Name Medical Center; John Draikiwicz of Gibbons PC; Bob Palermo of Meridian Health System; Brian Carter of Wells Fargo Securities; Holly Horsley of Gluck Walrath; and Lou George.

## **CALL TO ORDER**

Vice-Chairman Gus Escher called the meeting to order at 10:12 a.m. and announced that this was the annual meeting of the Authority, held in accordance with the schedule adopted at the May 26, 2011 Authority meeting. Complying with the Open Public Meetings Act and the Authority's By-laws, notice of this meeting was delivered to all newspapers with mailboxes at the Statehouse, including *The Star-Ledger* and *Courier Post*, enough in advance to permit the publication of an announcement at least 48 hours before the meeting.

### **1. APPROVAL OF MINUTES**

#### **April 26, 2012 Authority Meeting**

Minutes from the Authority's April 26, 2012 meeting were presented for approval. Mr. Lario offered a motion to approve the minutes; Dr. Kazmir seconded. The vote was unanimous and the motion carried.

### **2. CONTINGENT BOND SALE**

#### **Kennedy Health System**

Mr. Lario recused himself from the item pertaining to Kennedy Health System, as he is a former employee, and stepped away from the Board table.

Mr. Bill McLaughlin introduced the representatives from Kennedy Health System (“Kennedy”); Mr. Gary Terrinoni, Senior Vice President and Chief Financial Officer, and Mr. Edward Sullivan, Senior Vice President and General Counsel.

Following the introduction, Mr. McLaughlin informed the Members that today he would be requesting approval of a contingent sale of bonds on behalf of Kennedy. He noted that as the result of late modifications to the project description which followed the initial TEFRA publication, the TEFRA hearing for this transaction will take place at the Authority’s office on June 1, 2012 beginning at 10:00 A.M.

Kennedy is a New Jersey not-for-profit organization that operates a 607 bed multi-campus hospital system with facilities in Stratford, Cherry Hill and Turnersville, New Jersey. Kennedy Memorial Hospital is the core component of the System and is a major teaching affiliate of University of Medicine and Dentistry of New Jersey, New Jersey School of Osteopathic Medicine.

He stated that the proposed transaction will be at a maximum amount of \$80,000,000 of tax-exempt bonds; will be structured as a fixed rate financing; and will be sold on the basis of Kennedy’s credit rating. He stated that Kennedy is currently rated A3 by Moody’s and that this rating is not expected to change as a result of this issuance.

The proceeds of this transaction are expected to be used to currently refund the Authority’s Kennedy Health System Obligated Group Issue, Series 1997A bonds, Series 1997B bonds and Series 2001 bonds; to finance and/or reimburse the costs for certain capital expenditures: at the Institution’s Washington Township Division – expansion of the oncology facilities and the surgical facilities, renovation and expansion of the laboratory, and construction of a C-section room and other related renovations and improvements; at the Cherry Hill Division – construction of additions to the Emergency Department, operating room construction, window replacements, room renovations, construction of a new same-day surgery unit, pain suite and echo/eeg/ekg suite and, the relocation and addition of medical surgical beds and other related renovations and improvements; at the Stratford Division – renovations and improvements to the Emergency Department and related renovations and improvements; and the acquisition of miscellaneous medical equipment at all of the Institution’s Divisions; proceeds are also expected to be used to make a deposit to a debt service reserve fund, if required; fund capitalized interest, if required; and to pay the costs of issuing the Bonds.

Mr. McLaughlin then turned the presentation over to bond counsel to outline the Series Resolution.

### **SERIES RESOLUTION**

Holly Horsley of Gluck Walrath, LLP, the Bond Counsel, stated that the Series Resolution authorizes the issuance of the tax-exempt Series 2012 Bonds in an aggregate principal amount not in excess of \$80,000,000 and at a true interest cost not to exceed 7.00% per annum. The Series 2012 Bonds will have a final maturity date of no later than July 1, 2042 and be subject to redemption (and/or purchase in lieu of redemption) prior to maturity as set forth therein, provided, that the redemption price cannot be greater than 105%. The Series 2012 Bonds will

be issued under the Authority's General Bond Resolution and this Series Resolution, and will be secured by payments to be made by the hospital under its loan agreement with the Authority, as evidenced and secured by a promissory note, and amounts on deposit in certain funds held by the trustee. The hospital's promissory note will be issued under a master trust indenture to be entered into by the hospital (which will initially be the only obligated group member) and The Bank of New York Mellon, as master trustee. The promissory note will be secured by a gross receipts pledge of the hospital under the MTI.

Additionally, the Series Resolution approves the form of and authorizes the execution of the Series 2012 Bonds, Loan Agreement, Preliminary Official Statement, Official Statement, and the Escrow Arrangement. Further, the Series Resolution appoints TD Bank National Association as Trustee, Bond Registrar and Paying Agent for the Bonds. The Series Resolution also authorizes the sale of the Bonds to a syndicate led by Lancaster Pollard & Co., at an underwriting discount (including counsel fees) not in excess of \$7.20 per \$1,000 principal amount of Bonds. In addition, it authorizes the Authorized Officers to execute and deliver such other documents and to take such other action as may be necessary or appropriate to effectuate the issuance of the Series 2012 Bonds.

Mr. Escher asked the Members' pleasure with respect to the adoption of the Series Resolution on behalf of Kennedy Health System. Dr. Kazmir made a motion to approve the adoption of the Series Resolution on behalf of Kennedy Health System. Mr. Bollaro seconded. Mr. Escher, Mr. Bollaro, Ms. Kralik, Ms. Rodriguez and Dr. Kazmir voted yes and the motion carried.

#### **AB RESOLUTION NO. LL-65**

**NOW, THEREFORE, BE IT RESOLVED**, that the Authority hereby approves the Series Resolution entitled, "A SERIES RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY REVENUE AND REFUNDING BONDS, KENNEDY HEALTH SYSTEM OBLIGATED GROUP ISSUE, SERIES 2012"

*(attached)*

With respect to co-managers for this transaction, Ms. Walton reminded Members that the Authority reserves the right to select firms from its qualified list to serve as co-managing underwriters for its financings. Firms are appointed on a rotational basis and selected based on demonstrated ability to distribute New Jersey securities of comparable credit quality and sufficient capital to participate in the underwriting.

Kennedy selected Lancaster Pollard to serve as their Senior Manager and indicated a desire to have the firm of Raymond James appointed as a co-manager.

Based upon current market conditions and the size of the Kennedy transaction, Staff is recommending the assignment of two co-managers. We would suggest honoring the Hospital's

request to appoint Raymond James and adding Powell Capital Markets, Inc. as the second co-manager.

Powell Capital Markets is a minority-owned firm headquartered in Roseland, New Jersey that specializes in public finance. The firm has the ability to distribute New Jersey bonds on both an institutional and retail basis.

Ms. Walton requested Member approval to name Raymond James and Powell Capital Markets, Inc. as co-managers on the Kennedy Health System Series 2012 transaction.

Mr. Escher made a motion to approve the appointment of Raymond James and Powell Capital Markets, Inc. as co-managers for the Kennedy Health System transaction. Mr. Bollaro seconded the motion. Mr. Escher, Mr. Bollaro, Ms. Kralik, Ms. Rodriguez and Dr. Kazmir voted yes and the motion carried.

### **AB RESOLUTION NO. LL-66**

**NOW, THEREFORE, BE IT RESOLVED**, that the Authority hereby approves the appointment of Raymond James and Powell Capital Markets, Inc. as co-managers for the Kennedy Health System transaction.

Mr. Terrinoni thanked the Authority for the work that was done in a relatively short amount of time.

Mr. Lario returned to the Board table.

### **3. NEGOTIATED PRIVATE PLACEMENT REQUEST & INFORMATIONAL PRESENTATION** **Meridian Health**

Mr. Mark Hopkins introduced Bob Palermo, Vice President of Finance for Meridian Health System. He informed the Members that his presentation would serve as both a negotiated sale request and an informational presentation.

Mr. Hopkins stated that Meridian Health System, Inc. (“Meridian Health”) has signed a Memorandum of Understanding with the Authority to undertake a tax-exempt financing of approximately \$137 million, the proceeds of which will be used to refund variable rate revenue bonds, including Tranche III and IV of their outstanding Series 2007 Bonds and all of the Series 2003B Bonds.

Meridian Health is the parent organization and sole member of several subsidiaries including Meridian Hospitals Corporation (“Meridian Hospitals”) and Meridian Nursing and Rehabilitation, Inc. Excluding nursing bassinets, Meridian Health has 1,708 licensed beds and employs approximately 12,000 people. Meridian Hospitals operates four hospital divisions: Jersey Shore University Medical Center, Ocean Medical Center, Riverview Medical Center, and

Southern Ocean Medical Center. Through a subsidiary, Meridian Hospitals also operates Bayshore Community Hospital. Meridian Nursing and Rehabilitation has four divisions in Brick, Ocean Grove, Shrewsbury and Wall. It also has a subsidiary called Bayshore Health Care Center. Meridian Hospitals and Meridian Nursing and Rehabilitation, with the exception of their respective subsidiaries Bayshore Community Hospital and Bayshore Health Care Center, make up the obligated group on bonds issued by the Authority on behalf of Meridian Health. Including the bonds to be refunded, the Authority had approximately \$576 million of bonds outstanding on behalf of Meridian Health, as of March 31, 2012.

In 2007, the Authority issued bonds on behalf of Meridian Health that were comprised of five tranches of auction rate securities totaling \$242 million. With the collapse of the auction rate market, two tranches totaling \$97 million were subsequently converted to weekly variable rate transactions and three tranches totaling \$145 million were converted to 5% fixed-rate term bonds maturing in 2038. The Series 2007 variable rate bonds, designated Tranches III and IV, are insured by Assured Guaranty and supported by separate standby bond purchase agreements. Bank of America provides the liquidity support for Tranche III and Wells Fargo provides the liquidity support for Tranche IV. The Series 2003B Bonds with \$40 million outstanding are secured by a direct pay letter of credit issued by Bank of America.

Recently, Moody's Rating Agency announced potential downgrades for numerous banks and bond insurers, including Assured Guaranty and Bank of America. In response to the risks associated with the potential downgrades, Meridian is pursuing a refunding.

The Meridian obligated group had an excess of revenues over expenses of \$69.4 million and \$88.9 million for the years ending 2011 and 2010 respectively. Based on unaudited numbers for year-end 2011, Meridian had 227 days cash on hand, a profit margin of 5.82% and debt service coverage of 3.31. Unaudited financial information for the period ending March 31, 2012, shows Meridian Hospitals (excluding Bayshore) had excess revenues over expenses of nearly \$19.5 million. Authority bonds issued on behalf of Meridian Health are currently rated "A-/A" from S&P and Fitch respectively.

Meridian has asked that the Authority permit the use of a negotiated sale based on volatile market conditions, and large issue size. These reasons are considered under the Authority's policy regarding Executive Order #26, to be a justification for the use of a negotiated sale.

Also under the Authority's policies, a Borrower requesting a private placement form of a negotiated sale must justify the use of a private placement by showing it is either less expensive on a present value basis to complete a private placement or that there are other circumstances that would limit the effectiveness or usefulness of a negotiated sale using a public offering. Meridian has requested that this issuance be in the form of a private placement because they have: 1) a purchaser willing to purchase the bonds, 2) the purchaser is providing a competitive rate, and 3) the purchaser is willing to expedite the timing of the transaction. Therefore, Mr. Hopkins recommended the consideration of the resolution approving the use of a private placement form of negotiated sale and forwarding a copy of the justification in support of said resolution to the State Treasurer.

Meridian is in the process of reviewing proposals from four major banks who have indicated a desire to enter into direct bank placements with Meridian. Following a thorough review of the proposals, Meridian will select the banks based on price, financial strength of the institutions, diversification of credit risk and market knowledge.

Mr. Escher asked the Members' pleasure with respect to the adoption of the Resolution supporting the issuance of revenue bonds by negotiated private placement pursuant to Executive Order #26 on behalf of Meridian Health. Dr. Kazmir offered a motion to adopt the resolution; Mr. Bollaro seconded. The vote was unanimous and the motion carried.

#### **AB RESOLUTION NO. LL-67**

**NOW, THEREFORE, BE IT RESOLVED**, that the Authority hereby adopts the resolution entitled "RESOLUTION OF INTENT TO ISSUE REVENUE BONDS BY PRIVATE PLACEMENT TRANSACTION PURSUANT TO EXECUTIVE ORDER NO. 26."

*(attached)*

Mr. Palermo noted that the transaction would reduce market volatility and bank risk.

#### **4. NEGOTIATED SALE REQUEST** **Equipment Revenue Note**

Mr. Escher informed Members that the Authority's Equipment Revenue Note Program offers borrowers a quick turnaround for financings no greater than \$15 million, in which the proceeds will only be used to acquire equipment or retrofit a facility for equipment. One of the factors contributing to the quick turnaround is that the Authority annually approves the private placement method of sale for all projects fitting the program's specific criteria.

Mr. Escher asked for a motion to ratify this annual resolution to approve the pursuit of a negotiated sale private placement for transactions issued through the Authority's Equipment Revenue Note Program through May 31, 2013. Ms. Rodriguez offered a motion to adopt the resolution; Dr. Kazmir seconded. The vote was unanimous and the motion carried.

#### **AB RESOLUTION NO. LL-68**

**NOW, THEREFORE, BE IT RESOLVED**, that the Authority hereby adopts the resolution entitled "RESOLUTION OF INTENT TO ISSUE REVENUE BONDS BY NEGOTIATED TRANSACTION PURSUANT TO EXECUTIVE ORDER NO. 26."

*(attached)*

## **5. TRANSFER OF OPERATING ASSETS**

### **Holy Name Medical Center**

Mr. Edwin Fuentes introduced Marcello Guarneri, Vice President of Finance at Holy Name Medical Center, and John Draikiwicz from Gibbons PC, bond counsel for this transaction.

He informed Members that currently, Holy Name has two outstanding public bond issues with the Authority: Series 2006 with an outstanding balance of \$60,000,000 which is secured by the Loan and Security Agreement and Mortgage dated March 15, 1997 as amended and supplemented; and Series 2010 with an outstanding balance of \$53,145,000, which is secured by a Loan Agreement and Master Trust Indenture.

Holy Name has executed a letter agreement with Fresenius Medical Care Ventures, LLC in which the Medical Center and an affiliate of Fresenius will form a company, Holy Name Renal Care Center, LLC (“HNRCC”) which will acquire, own and operate the outpatient dialysis facility currently owned by Holy Name. The operation by HNRCC is intended to provide improved and more efficient dialysis services in the Teaneck, New Jersey area by expanding access to outpatient dialysis care, improving treatment modalities, reducing the cost of dialysis treatment, and improving dialysis patient access to qualified physicians. Holy Name will continue to hold a 40% interest in the Outpatient Dialysis Business as a member of the new company.

Holy Name has informed the Authority that it wishes to (a) lease a portion of the Pledged Property comprising approximately 14,000 square feet and (b) sell its renal dialysis equipment to HNRCC. The equipment to be sold comprises less than 2% of the book value of Holy Name’s property and was purchased with Holy Name’s operating funds, not bond proceeds. The premises to be leased and the renal dialysis equipment are currently used and will continue to be used in connection with the operation of an outpatient dialysis facility by HNRCC on the Institution’s campus.

Members received a draft of the Resolution Consenting to the Lease of a Portion of the Pledged Property Securing the Authority’s Revenue Bonds, Holy Name Hospital Issue, Series 2006, and Authorization of Incidental Action in Connection Therewith and the Authorization of Release Documents in Connection with the Sale by the Institution of Certain Operating Assets, prepared by John Draikiwicz, Gibbons, P.C., Bond Counsel for the transaction. Mr. Fuentes directed Members’ attention to an opinion of Bond Counsel opining that the proposed transfer of assets will not adversely affect the tax-exempt status of the bonds, as well as a Hospital Certificate and a Transfer Agreement.

The Attorney General’s office reviewed the documents and had no objection to the Authority’s consideration of the matter. Staff recommended that the consent be approved.

Mr. Escher asked the Members' pleasure with respect to the adoption of the Resolution on behalf of Holy Name Medical Center. Mr. Lario made a motion to approve the adoption of the Resolution. Mr. Bollaro seconded. The vote was unanimous and the motion carried.

## AB RESOLUTION NO. LL-69

**NOW, THEREFORE, BE IT RESOLVED**, that the Authority hereby approves the Resolution entitled, “RESOLUTION CONSENTING TO THE LEASE OF A PORTION OF THE PLEDGED PROPERTY SECURING THE AUTHORITY’S REVENUE BONDS, HOLY NAME HOSPITAL ISSUE, SERIES 2006 AND AUTHORIZATION OF INCIDENTAL ACTION IN CONNECTION THEREWITH AND THE AUTHORIZATION OF RELEASE DOCUMENTS IN CONNECTION WITH THE SALE BY THE INSTITUTION OF CERTAIN OPERATING ASSETS.”

*(attached)*

### **6. MODIFICATION TO THE QUALIFIED BANKER’S LIST**

Ms. Suzanne Walton informed Members that Academy Securities, Inc. (f/k/a/ Sterling Investment Services, Inc.) has provided the Authority with a “Statement of Qualifications” to be added to the approved list of bankers to serve as a Co-Manager.

Historically, the company has provided financial advisory and capital-raising services, principally related to merger and acquisition and equity private placements. In addition, the company is a California Certified Disabled Veteran Owned Business Enterprise and Service Disabled Veteran Owned Business and has a mission to provide employment opportunities to veterans.

In January of this year, Academy Securities received approval to underwrite and trade municipal securities as a Broker Dealer. The Company will offer a full array of trading, funds placement, advisory and investment banking services. Based on their Statement of Qualifications the firm has very limited reserves and net capital and currently they would only be able to underwrite up to approximately \$328,000. Their main office is located in White Plains, New York with a regional office in San Diego, California. In March, they opened an office in New York City. While the firm has not served in an investment banking role for a healthcare institution, the two primary relationship bankers have extensive experience in municipal finance, including healthcare.

The statement indicates the firm was recently appointed to serve as a co-manager on two revenue bond issues for the State of California and was selected as a selling group member on three bond issues in California and two for the City of New York.

Ms. Walton requested the Members’ consideration in adding the firm to the approved list to serve as a Co-Manager, with the condition that the Executive Director limit Academy’s participation to an amount that would be appropriate based on the company’s capital structure which will change over time.



Mr. Bollaro moved to approve adding Academy Securities, Inc. to the Authority’s qualified bankers list as Co-Manager. Ms. Kralik seconded. The vote was unanimous and the motion carried.

**AB RESOLUTION NO. LL-70**

**NOW, THEREFORE, BE IT RESOLVED**, that the Authority add Academy Securities, Inc. to the Authority’s qualified bankers list as a Co-Manager, with the condition that the Executive Director limit Academy’s participation to an amount that would be appropriate based on the Company’s capital structure which will change over time.

**7. OLD/NEW BUSINESS**  
**a. Appointment of Officers**

As the May meeting serves as the Authority’s Annual Meeting, Mr. Lario offered a motion to elect the following slate of Authority officers for the coming year.

**Officers of the Authority**

Vice Chairman	Gus Escher
Secretary	Suzette Rodriguez
Assistant Secretaries	Steve Fillebrown Carole Conover (vacant)
Treasurer	Dr. Munr Kazmir
Assistant Treasurer	(vacant)

**Authority Finance Committee**

Chairman	Dr. Munr Kazmir
Members	Dr. Munr Kazmir Gus Escher Suzette Rodriguez
Alternate Member	(vacant)

**Authority Evaluation Committee**

Members	Dr. Munr Kazmir Gus Escher Suzette Rodriguez
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Mr. Lario also nominated the ex-officio Members from the Department of Health and Senior Services and Department of Banking and Insurance – or their designees – and a representative from Treasury to serve on the Audit Committee.

According to the Authority's enabling legislation, Mary O'Dowd, as Commissioner of Health and Senior Services, will remain as Chairman.

Mr. Bollaro seconded the nominations. The vote was unanimous and the motion was carried.

Mr. Escher noted that the term of the Authority's elected officers will begin immediately following the Governor's ten-day veto period, barring any veto notification from the Governor's Office.

### **AB RESOLUTION NO. LL-71**

**WHEREAS**, with respect to the Authority's elected official positions, one of the three Assistant Secretary roles and the role of Assistant Treasurer will remain vacant and may be filled at a later date with the appointment of new Authority Members,

**NOW, THEREFORE, BE IT RESOLVED**, that the following individuals are hereby elected to serve in the official positions noted until May 23, 2013, or until the next election of officers:

Vice Chairman - Gus Escher  
Secretary – Suzette Rodriguez  
Assistant Secretaries – Steve Fillebrown and Carole Conover  
Treasurer – Dr. Munr Kazmir

**BE IT FURTHER RESOLVED**, that the Authority's Finance Committee will be chaired by Dr. Munr Kazmir, with Gus Escher and Suzette Rodriguez serving as committee members.

**BE IT FURTHER RESOLVED**, that the Authority's Evaluation Committee will include Dr. Munr Kazmir, Gus Escher and Suzette Rodriguez as committee members.

**BE IT FURTHER RESOLVED**, that the Authority's Audit Committee consist of the ex-officio Members from the Department of Health and Senior Services and Department of Banking and Insurance – or their designees – and a representative from Treasury.

#### **b. 2012/2013 Calendar**

Mr. Escher referenced a proposed list of dates on which to conduct meetings of the Authority and its Finance Committee for the coming year. Mr. Lario offered a motion to adopt the schedule; Ms. Rodriguez seconded. The vote was unanimous and the motion was carried.

**AB RESOLUTION NO. LL-72**

**NOW THEREFORE, BE IT RESOLVED**, that the Authority hereby adopts the following schedule of dates on which to conduct meetings of the Finance Committee and the Authority; and,

**BE IT FURTHER RESOLVED**, that, as provided by the provisions of the Open Public Meetings Act and the Authority’s By-laws, the Assistant Secretary is authorized to provide notice of these meeting dates to the Authority’s designated newspapers, to post notice in the Authority offices and on the Authority’s website, and provide notice to the Secretary of State:

<b>FINANCE 10:00 a.m.</b>	<b>AUTHORITY* 10:00 a.m.</b>
<b>2012</b>	<b>2012</b>
Tuesday, June 12	Thursday, June 28
Tuesday, July 10	Thursday, July 26
Tuesday, August 7	Thursday, August 23
Tuesday, September 11	Thursday, September 27
Tuesday, October 9	Thursday, October 25
Wednesday, November 7	Tuesday, November 15
Tuesday, December 4	Thursday, December 20
<b>2013</b>	<b>2013</b>
Tuesday, January 8	Thursday, January 24
Tuesday, February 12	Thursday, February 28
Tuesday, March 12	Thursday, March 28
Tuesday, April 9	Thursday, April 25
Tuesday, May 7	Thursday, May 23**

\*A Finance Committee meeting has also been scheduled immediately following every Authority meeting.

\*\*Annual Meeting

Mr. Escher noted for the record that, unless advertised to the contrary, all meetings are open to the public and shall be held in the Authority’s office on the fourth floor of Building #4, Station Plaza, South Clinton Avenue, Trenton, New Jersey. He added that the Authority’s staff will perform the required public announcement and notification of the meeting dates once the Governor’s ten-day veto period has passed.

**c. Resolution of Appreciation for Lou George**

Mr. Hopkins read the attached Resolution of Appreciation for Louis R. George who retired from the Authority at the end of March. Mr. Escher asked the Members' pleasure with respect to the adoption of a resolution in appreciation of Mr. George and his years of service and contributions to the Authority. Mr. Lario moved that the resolution be approved. Dr. Kazmir seconded. The

vote was unanimous and the motion carried. Members and Authority staff wished Mr. George well in his retirement.

**AB RESOLUTION NO. LL-73**  
*(attached)*

**8. APPROVAL OF EXPENSES**

Mr. Escher referenced a summary of Authority expenses and invoices. Mr. Bollaro offered a motion to approve the bills and to authorize their payment; Ms. Kralik seconded. The vote was unanimous and the motion was approved.

**AB RESOLUTION NO. LL-74**

**WHEREAS**, the members of the Authority have reviewed the memoranda dated May 17, 2012, summarizing expenses incurred by the Authority in connection with FHA Mortgage Servicing, Trustee/Escrow Agent/Paying Agent fees, and general operating expenses in the amounts of \$544,468.86, \$63,683.14 and \$45,940.50 respectively, and have found such expenses to be appropriate;

**NOW, THEREFORE, BE IT RESOLVED**, that the members of the Authority hereby approve all expenses as submitted, and authorize the execution of checks representing the payment thereof.

**9. STAFF REPORTS**

Mr. Escher thanked staff for the Project Development Summary, Cash Flow Statement and Legislative Advisory reports.

Mr. Hopkins then presented his Executive Director's report noting the following items to Members:

1. Mr. Hopkins thanked the Authority Members and Senior Staff for filing Financial Disclosure Statements before the May 15, 2012 deadline. He appreciated their cooperation.

2. Joe Lario has announced that he will be moving to Florida in July and will no longer be the Commissioner's designee to the Authority meetings. Mr. Hopkins thanked Mr. Lario for all the great work he has done over the last year plus with the Department of Health and Senior Services, and noted that Mr. Lario added invaluable insights to meetings utilizing his long experience as a hospital CFO. Mr. Lario stated that he really enjoyed his time with the Authority and will miss it.

### 3. Hospital News

a. On Tuesday, May 22, the University Medical Center of Princeton had a successful move from its former downtown Princeton campus to its newly constructed hospital on Route 1 in Plainsboro. Several Authority staff members and bankers who worked on the financing were treated to a tour of the hospital on Friday, May 18. It is truly a beautiful facility.

b. The State Health Planning Board issued a recommendation to approve the Certificate of Need for the proposed acquisition of Mountainside Hospital from Merit Health System by Montclair Health System, a joint venture of LHP and Hackensack University Medical Center. The recommendation has been forwarded to Commissioner O'Dowd for a final decision within four months.

c. The Department of Health and Senior Services and the Attorney General's office are holding public hearings this week regarding, respectively, the Certificate of Need application and the CHAPA review of Christ Hospital's acquisition by Hudson Hospital Holdco, which was selected as the winning bidder in a bankruptcy auction.

d. Englewood Hospital and Medical Center has announced a succession plan. Englewood's current President and CEO, Doug Duchak will leave that position on January 1, 2014 to become head of Englewood's foundation. He will be succeeded by Warren Geller, Englewood's current Executive Vice President and Chief Operating Officer.

e. Governor Christie and Senate President Sweeney broke ground on a new Cancer Institute at Cooper University Medical Center in Camden last week.

f. Virtua received a \$1 million donation from the Marvin Sampson Foundation to create a centralized medication distribution system. The foundation is run by Marvin Samson, a long-time member of the Virtua Board of Trustees and a generic drug entrepreneur.

g. Jersey City Medical Center was named as one of the 100 great places to work in healthcare by Modern Healthcare Magazine.

h. Meridian Health has been awarded a multi-year demonstration project by the Center for Medicare and Medicaid Innovation to determine the effects of an expanded and fully integrated palliative care program for patients and families facing serious and advanced chronic diseases.

i. Meridian also broke ground on an \$82 million project to expand Ocean Medical Center's emergency room and add an additional floor to the hospital. The expansion is being supported partly by a \$5 million donation from Edele Hovnanian in honor of her parents, Hirair and Anna Hovnanian, for whom the new emergency department will be named.

### 4. Authority News

a. Mr. Hopkins introduced Ms. Miriam Bolger, the Authority's new Health Information Technology Project and Grant Manager. Ms. Bolger has a bachelor's degree in

Medical Technology from Temple University and an MBA from Philadelphia University. She has also received certification as a Project Management Professional from the Project Management Institute. Since 2001, she has worked at UHS of Delaware, a healthcare management company, where she most recently served as Project Manager, Grants in the Human Resources department. At UHS she also served as an SMS Interface Analyst in the Information Services department. Prior to UHS she worked in Information Systems at Tenet Health Systems and Allegheny Health Education and Research Foundation.

This concluded the Executive Director's report.

As there was no further business to be addressed, following a motion by Ms. Kralik and a second by Mr. Bollaro, the Members voted unanimously to adjourn the meeting at 10:50 a.m.

I HEREBY CERTIFY THAT THE FOREGOING  
IS A TRUE COPY OF MINUTES OF THE NEW  
JERSEY HEALTH CARE FACILITIES  
FINANCING AUTHORITY MEETING HELD  
MAY 24, 2012.

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Stephen Fillebrown, Assistant Secretary