

Minutes of the New Jersey Health Care Facilities Financing Authority Meeting held on January 23, 2020 on the fourth floor of Building #4, Station Plaza, 22 South Clinton Avenue, Trenton, NJ.

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

Robin Ford, Designee of the Department of Health (Chairing); Greg Lovell, Designee of the Commissioner of Human Services; and, via telephone, Dr. Munr Kazmir, Vice Chair (Public Member); Manny Paulino, Designee of the Commissioner of Banking and Insurance; and Suzette Rodriguez, Public Member

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

Mark Hopkins, Frank Troy, Ron Marmelstein, Cindy Kline, Bill McLaughlin, Alpa Patel, Edwin Fuentes, Diane Johnson, Michael Solidum and Chris Kniesler

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

George Loeser, Attorney General's Office; Joy-Michele Johnson, Governor's Authorities Unit; John Kelly, Wilentz, Goldman & Spitzer P.A.; Bridget Devane, HPAE; and Nate Horrell, HPAE, AFL-CIO

## **CALL TO ORDER**

Executive Director Mark Hopkins called the meeting to order at 10:09 a.m. and announced that this was a regular Meeting of the Authority, held in accordance with the schedule adopted at the May 23, 2019 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 the Courier Post, enough in advance to permit the publication of an announcement at least 48 hours before the meeting.

Mr. Hopkins recommended that in the absence of the Chair and the fact that the Vice Chair was on the phone, that a Chair pro tem be named. Mr. Lovell nominated Robin Ford to serve as Chair pro tem for the January 23, 2020 meeting and Dr. Kazmir seconded. Mr. Hopkins called for a vote. All Members voted in the affirmative and the motion carried.

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

#### **December 19, 2019 Authority Meeting**

Minutes for the Authority's December 19, 2019 regular meeting were distributed for review and approval prior to the meeting. Ms. Ford asked for a motion to approve the minutes. Dr. Kazmir made the motion. Mr. Lovell seconded. Ms. Ford asked if there were any questions on the motion. There were no questions or comments. Ms. Ford then called for a vote. All Members voted in the affirmative and the minutes were approved.

## **2. AMENDMENTS TO THE BOND DOCUMENTS RWJBarnabas Health**

Ms. Ford asked Edwin Fuentes to provide the Members with an explanation of the proposed amendments to the RWJBarnabas Health bond documents.

Mr. Fuentes began by saying that the Authority staff is requesting that the Members approve a *“Resolution Of The New Jersey Health Care Facilities Financing Authority Authorizing Certain Amendments To The Documentation Relating To Its Outstanding Refunding Bonds, RWJBarnabas Health Obligated Group Issue, Series 2017A And Other Incidental Actions Related Thereto.”*

Mr. Fuentes told the Members that RWJBarnabas Health is a New Jersey not for profit healthcare system, formed by the merger of Barnabas Health and Robert Wood Johnson University Hospital during March of 2016. Currently, RWJBarnabas has eight (8) series of bonds outstanding with this Authority, totaling approximately \$1.296 billion.

Mr. Fuentes reminded the Members that, at the February 2019 Authority meeting, they approved several changes to its existing policies regarding standard loan agreements between our borrowers and this Authority. These policy amendments include: the elimination of the cushion ratio requirement and replacement thereof with a days cash on hand requirement; the modification of the due dates for the principal and interest payments required to be made by the borrower to the bond trustee on the respective loans; and the elimination of the Authority’s monitoring rights described in the ‘Triggering Events’ section of the Loan Agreement so long as the outstanding debt is rated at least investment grade.

According to Mr. Fuentes, RWJBarnabas has formally requested to supplement, amend and/or restate certain bond documents for their currently outstanding Series 2017A financing with the Authority to reflect the aforementioned modifications. The current outstanding balance of the transaction is \$8,177,056.

Mr. Fuentes then introduced John Kelly of Wilentz, Goldman, and Spitzer, Bond Counsel, to present the Resolution. He concluded by saying that following Mr. Kelly’s presentation, he or Mr. Kelly would address any issues or questions the Members may have.

### **BOND COUNSEL PRESENTATION OF RESOLUTION OF THE NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY AUTHORIZING CERTAIN AMENDMENTS TO THE DOCUMENTATION RELATING TO ITS OUTSTANDING REFUNDING BONDS, RWJBARNABAS HEALTH OBLIGATED GROUP ISSUE, SERIES 2017A AND OTHER INCIDENTAL ACTIONS RELATED THERETO**

John Kelly of Wilentz, Goldman, & Spitzer, Bond Counsel, stated that, in order to effectuate the changes to the documents which have been previously described, the Resolution provides for the adoption and approval by the Authority of the First Supplemental Trust Agreement for the RWJBarnabas Health Series 2017A Bonds, as well as the form of a separate Amended and Restated Loan Agreement relating to the Series 2017A bonds, and authorizes the execution and

delivery thereof by an Authorized Officer of the Authority. In addition, the Resolution also authorizes the Authorized Officers of the Authority to execute and deliver such other documents and to take such other action as may be necessary or appropriate to effectuate the execution and delivery of the First Supplemental Trust Agreement and the Amended and Restated Loan Agreement.

Mr. Hopkins reminded Dr. Kazmir and the Authority Members Dr. Kazmir was recused from any Authority actions involving RWJBarnabas Health and Jersey City Medical Center.

Ms. Ford asked for a motion to approve the amendment to the documents for RWJBarnabas Health Series 2017A bonds. Mr. Lovell offered the motion. Ms. Rodriguez seconded. Ms. Ford asked if the Members had any questions on the motion. There were no questions. Ms. Ford called for a vote. Ms. Ford, Mr. Lovell, Mr. Paulino and Ms. Rodriguez voted in the affirmative and the motion passed.

**AB RESOLUTION NO. TT-45**

**NOW, THEREFORE, BE IT RESOLVED** that the Authority hereby approves the Resolution entitled, **“RESOLUTION OF THE NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY AUTHORIZING CERTAIN AMENDMENTS TO THE DOCUMENTATION RELATING TO ITS OUTSTANDING REFUNDING BONDS, RWJBARNABAS HEALTH OBLIGATED GROUP ISSUE, SERIES 2017A AND OTHER INCIDENTAL ACTIONS RELATED THERETO.”**

*(attached)*

**3. CANCEL THE PREVIOUS RFP AND ISSUE A NEW RFP FOR THE REVIEW OF HEALTH CARE SERVICES IN BAYONNE, SALEM AND TRENTON**

Ms. Ford called upon Mark Hopkins to explain to the Members the reasons for cancelling the previous RFP and issuing a new RFP for the review of the health services in Bayonne, Salem and Trenton.

Mr. Hopkins reported that the Request for Proposals to Assess the Need for Hospital Services in Bayonne and Trenton (“RFP”) approved by the Authority Members on December 19, 2019 and issued the same day, resulted in the receipt of three proposals which had widely divergent fee quotes and varied descriptions of the scope of services to be provided. More importantly, since the issuance of the RFP it has also come to light that an additional city would benefit from an assessment of its hospital services. Therefore, the Commissioner of Health and the Executive Director of the Authority believe that the RFP needs to be amended to add the City of Salem, including the primary service area of Salem Medical Center, and to reduce and clarify the scope

of services. Therefore, staff is recommending the Authority cancel the original RFP and issue a new amended Request for Proposals to Assess the Need for Hospital Services in Bayonne, Salem and Trenton (“Amended RFP”) substantially in the form provided to the Authority Members prior to this meeting.

Mr. Hopkins told the Members that the Amended RFP adds the City of Salem, New Jersey and limits the scope to just the services currently being provided by: (i) the hospital and satellite emergency department in Bayonne; (ii) the hospital in Salem; and (iii) the two hospitals in Trenton (“hospital services”). It also removes the requirements that the consultant must: (i) identify the quantity and type of physicians and advanced practice nurses serving within each of the cities and the location of physician and advanced practice nurses serving within the same geographic area; (ii) examine the social determinants of health that may hinder access to care in each of the cities, including but not limited to, unstable or lack of housing; food and nutritional support; transportation; and literacy; (iii) identify gaps in care and services in each of the Cities, specifically focusing on substance use disorder services, maternity services, primary care services, and behavioral health services; (iv) incorporate into the assessment of innovative solutions, an analysis of the ability for maximizing available revenue and reimbursement with consideration to current and future trends in reimbursement models (removed as duplicative); and (iv) assess the regulatory framework under which the innovative solutions could be implemented.

Mr. Hopkins further stated that the amendment adds that the consultant shall identify any significant issues to access to health care in the cities and also clarifies the Authority’s payment terms, requires that the fees quoted include an additional costs automatically included in the bidder’s service and requires the bidder to describe what specific additional expenses it expects. The Amended RFP also separates the criteria on which the proposals will be evaluated between technical criteria and price. Finally, the Amended RFP provides the Authority the ability to negotiate the price. Proposals under the Amended RFP will be due by 1:00 p.m. on Thursday, February 6, 2020 and may be sent by email.

In summary, Mr. Hopkins said that the purpose of the evaluation is to determine what the patient needs for hospital services are in Bayonne, Salem and Trenton, where those needs are currently being met, and to propose innovative solutions to meet those needs. The report will be presented to the Commissioner of the Department of Health and the Executive Director of the Authority no later than Thursday, April 30, 2020.

Mr. Hopkins concluded by saying the Authority Staff is asking for the Members’ approval to cancel the original RFP and approve distribution of the Amended RFP to firms on the Authority’s Hospital Workout List and to publish notice of the Amended RFP on the Authority’s website, the State of New Jersey Business Opportunities website and possibly on other venues reasonably expected to reach consultants of this type.

A brief conversation was held among Ms. Ford, Mr. Loeser and Mr. Hopkins regarding a matter that Ms. Ford wished clarified.

Ms. Ford asked for a motion to approve the resolution cancelling the previous RFP and issuing a new RFP for a consultant to review the health care services in Bayonne, Salem and Trenton. Dr. Kazmir offered the motion. Ms. Rodriguez seconded. Ms. Ford asked if the Members had any questions on the motion.

Mr. Lovell asked what the fiscal impact would be on the Authority by reissuing the RFP. Mr. Hopkins replied that the final cost should be lower than that of the initial RFP. Mr. Lovell asked if the Authority had the money in the budget. Mr. Hopkins stated that there is a Special Projects line item in the budget and, depending upon the responses, the Authority will be asked at a future meeting to approve amending that line item to cover the cost. Ms. Ford asked if the Authority had the funds for the contract. Mr. Hopkins said that the Authority has money in surplus to cover the expense.

Ms. Ford then called for a vote. All Members voted in the affirmative and the motion passed.

#### **AB RESOLUTION NO. TT-46**

**NOW, THEREFORE, BE IT RESOLVED**, that the Authority hereby approves a resolution to cancel the previous RFP and issue a new amended RFP for a consultant to perform a review of the health care services in Bayonne, Salem and Trenton.

#### **4. APPROVAL OF THE AUTHORITY'S 2020 DEBT MANAGEMENT PLAN**

Ms. Ford asked Bill McLaughlin to present the Authority's Debt Management Plan for 2020.

Mr. McLaughlin reminded the Members that, under Executive Order No. 26 (Whitman), the Authority is required to prepare an annual Debt Management Plan and submit it to the State Treasurer. The Debt Management Plan for 2020, which has been distributed to the Members, reflects financings that were completed during 2019 and identifies four (4) bond financings that are anticipated for 2020, along with a description of each project, the anticipated issue size, security, ratings and a proposed method of sale.

Mr. McLaughlin reported that there is no anticipated activity for the Master Lease Program, Composite Program or the Equipment Revenue Note program. He also noted that the proposed plan excludes Capital Asset Program (CAP) loans, since these transactions do not involve the issuance of new debt.

Mr. McLaughlin concluded by saying that, just as in prior years, the total volume for 2020 is subject to change, depending upon market conditions and borrowers' preferences. He then requested that the Members approve of the proposed plan and authorization to submit it to the Treasurer.

Ms. Ford then asked for a motion to approve the Authority's 2020 Debt Management Plan. Dr. Kazmir made the motion. Mr. Lovell seconded. Ms. Ford asked if there were any questions on the motion. There were no questions. Ms. Ford called for a vote. All Members voted in the affirmative and the motion passed.

#### **AB RESOLUTION NO. TT-47**

**WHEREAS**, the Members of the Authority have reviewed the memorandum dated January 9, 2020 regarding the 2020 Debt Management Plan.

**NOW, THEREFORE, BE IT RESOLVED**, that the Authority hereby approves a motion to adopt the proposed 2020 Debt Management Plan and submit it to the Treasurer in accordance with the requirements of Executive Order No. 26.

#### **5. APPROVAL OF EXPENSES**

Ms. Ford referenced a summary of Authority expenses and invoices provided to the Members. Mr. Lovell made the motion to approve the expenses. Ms. Rodriguez seconded. Ms. Ford asked if there were any questions on the motion. There were no questions. Ms. Ford then called for a vote. All Members voted in the affirmative and the resolution was approved to approve the bills and to authorize their payment.

#### **AB RESOLUTION NO. TT-48**

**WHEREAS**, the Members of the Authority have reviewed the memoranda dated January 14, 2020 summarizing expenses incurred by the Authority in connection with Trustee/Escrow Agent/Paying Agent fees and general operating expenses in the amounts of \$52,979.50 and \$136,400.03 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.

#### **6. STAFF REPORTS**

Ms. Ford thanked staff for the Project Development Summary, Cash Reconciliation Report and Legislative Update.

Ms. Ford asked Executive Director Hopkins to present his Executive Director's report.  
Mr. Hopkins reported the following:

1. Judith Persichilli was confirmed as Commissioner of Health by the Senate on January 9. She has been Acting Commissioner since her appointment by Governor Murphy in July 2019.
2. In June of 2007, the Authority adopted Resolution No. HH-28, which lowered certain Authority fees but created an automatic annual adjustment to the amount of bonds that would be subject to the Authority's initial fees and annual fees (the "fee cap"). The resolution called for the adjustment of the fee cap commensurate with the change in the average of the Consumer Price Index for all Urban Consumers ("CPI-U") in the New York City and Philadelphia regions, rounded to the nearest million. In September 2016, the Authority Members readjusted the Authority's fee structure and eliminated the fee cap for annual fees and increased the fee cap for initial fees to apply to up to \$100,000,000 of each financing. At that time, the Authority Members also approved postponing any adjustment of the fee cap for initial fees until January of 2018. As a result of the average relevant CPI-U increases, the amount of bonds upon which the initial fee would be collected increased to \$101,200,000 in 2018 and \$102,500,000 in 2019. For the twelve-month period ending December 31, 2019, the CPI-U in the New York City region increased 1.6529% and in the Philadelphia region increased 2.0106%, for an average increase of 1.8318%. Therefore, with rounding to the nearest \$100,000, the initial fee of 2.5 basis points will now be collected on the first \$104,400,000 in bonds issued by the Authority or a maximum of \$26,100. Per series fees shall continue to be \$10,000 for each series.
3. The Authority provided \$841 million in bond financing in 2019 to four (4) separate borrowers. The financings included \$485,762,000 in new money bonds and \$355,238,000 in refunding bonds. The weighted average all-in true interest cost on the \$841 million in bonds issued in 2019 was 2.65%. Compared to comparable taxable rates (which are estimated to be 3.733%), the issuance of the \$485,762,000 in new money tax-exempt bonds saved Authority borrowers about \$46,410,000 on a present value basis, over the first 10 years of the bonds. If those bonds remain outstanding longer, there will be additional savings. The \$355,238,000 in refunding bonds issued in 2019 saved Authority borrowers over \$57,450,000 on a present value basis compared to the bonds that were refunded.
  - a. The \$485,762,000 of new money bonds were issued to finance projects at the following health care organizations: RWJBarnabas Health, Valley Health System and Virtua Health. The \$355,238,000 in refunding bonds was issued to refund outstanding bonds for RWJBarnabas Health, Shore Memorial Hospital and Virtua Health.
  - b. There was one new Federally Qualified Health Center loan for \$750,000 issued to the Neighborhood Health Services Corporation, to assist it in exiting bankruptcy.

There were no Equipment Revenue Notes or Master Leases issued in 2019. There were two new financings through the Capital Asset Program in 2019 for Hackensack Meridian Health in the amount of \$27 million and John Brooks Recovery Center for \$11.8 million. Loans under the Capital Asset Program averaged an interest rate of 2.85% for calendar year 2019.

- c. According to the unaudited year-end numbers, the Authority's 2019 expenses came in at \$2,919,503, which was 22.73% lower than budget and 22.24% below 2018 expenses (which included a payment of \$79,348 in the post-retirement health care benefit trust and \$778,000 for the consultant to assess the State's psychiatric hospitals). The Authority's revenues came in at \$4,122,845, which was 2.35% under budget and 4.97% above 2018 revenues. The Authority's receipts over disbursements came in at \$1,203,342, which is \$759,415 over budget and \$1,030,472 more than 2018.
4. Authority Members should receive today two disclosure forms to be filled out by Friday, February 7. The "Personal and Business Relationships Disclosure Form" is required pursuant to New Jersey Statute 52:34-10.11 for anyone, including Authority Members and Staff, involved in the procurement process. The "Annual Outside Activity Questionnaire" is required pursuant to the State's Uniform Code of Ethics. Please feel free to consult Robin Piotrowski, the Authority's Human Resources Manager and Ethics Liaison Officer, if you have any questions.
5. On January 14, 2020, as permitted by the Capital Asset Loan Program, I requested that TD Bank amend its Standby Letter of Credit for that program by extending it through January 31, 2023. TD Bank agreed to the amendment to extend on January 16, 2020. The Letter of Credit covers \$50 million in bonds issued by the Authority in 1985, which is lent to eligible borrowers. As loans are repaid under the program funds are recycled to be lent to other eligible borrowers.
6. At our next meeting, I plan to ask Authority Members their willingness to accept delivery of the board meeting packets by email.
7. New Jersey Hospital News
  - a. Dr. Thomas Kloos, president of the Atlantic Accountable Care Organization and a Vice President of Atlantic Health System, has been named chair of the National Association of ACOs.
  - b. Legislation has been enacted classifying University Hospital as a rural hospital, enabling it to possibly receive higher Medicare reimbursement rates under the rural wage index. The legislation will also give the Mayor of Newark, or his or her designee, a seat on University Hospital board and also allows the Governor to appoint an additional board member with experience in the health care field, subject to the advice and consent of the Senate.



- c. Becker's Hospital Review has named Hackensack Meridian Health as one of seven health systems in the country with strong finances.
- d. Geisinger Health System has enrolled over 250,000 participants in its precision medicine project called MyCode. The project sequences the genetic code of patients to develop precision treatments. It has resulted in medically actionable results for nearly 1,500 patients.

## 8. New Jersey Health Care News

- a. Governor Murphy this month signed three pieces of legislation sponsored by Assemblyman Chiaravalloti and Assemblywoman McKnight, among others, geared to improving transparency into the finances, management fees, related-party transactions and ownership structure of hospitals. One new statute also allows the Commissioner of Health to notify local elected officials if certain hospitals are found to be in financial distress. The sponsors drafted the bills with the recommendations of the March 2019 State Commission of Investigation ("SCI") report on CarePoint Health System in mind. The intent is to close the gap the SCI found in information State regulators have access to.
- b. Cathy Bennett, former Health Commissioner and current CEO of the New Jersey Hospital Association, penned an Op-Ed in NJ Spotlight urging approval of legislation charging hospitals a \$2.50 per bed, per day "community contribution fee" in lieu of property taxes. Dozens of non-profit hospitals have been sued by their host municipalities for property taxes since a 2015 New Jersey Tax Court found in favor of Morristown against Morristown Medical Center. Ms. Bennett cited the benefits and employment hospitals provide in their communities and criticized the uncertainty, inefficiency and costliness of seeking property taxes through lawsuits.
- c. During his State of the State address, Governor Murphy announced he was creating an Office of Health Care Accountability and Transparency in the Governor's Office "to work across state agencies and lead critical efforts to reduce consumer health care costs, make insurance more affordable, and improve price transparency."
- d. Horizon Blue Cross Blue Shield of New Jersey announced that 61% of what it spends on medical care goes to physicians and hospitals in value-based agreements. The insurer claims this demonstrates its commitment to tie more reimbursement to outcomes.
- e. Several representatives of New Jersey health care systems and insurers said that they are working hard to address social determinants of health such as access to housing, nutritional food, education, healthy physical activity and social supports. Other determinants that they are attempting to overcome are poverty, violence and implicit biases and racism. The panel discussion on the topic at the first

annual Healthcare Symposium sponsored by Withum also included specific examples of how social determinants of health are being addressed in New Jersey.

- f. Research by the Massachusetts Institute of Technology and published in the New England Journal of Medicine this month casts doubt on what was believed to be the tremendous success of the Camden Coalition's targeting of hospital "super-users" or "frequent flyers" to reduce repeated hospital visits. The Camden Coalition addressed some social determinants of health as well as providing more preventive services and aggressive care coordination ensuring patients received and took their medications and followed up with their primary care providers or specialists. While readmissions to hospitals dropped dramatically, the recent "more robust" study by MIT found that a comparison group of similar patients who were not in the Camden Coalition program also experienced a similar decline in readmissions.
- g. NJ Biz reports there are several more New Jersey hospitals and other health provider mergers on the horizon. It also predicted there would be fewer independent hospitals.
- h. New Jersey ranked eighth in UnitedHealth Foundation's 2019 America's Health Rankings report. It improved from 11<sup>th</sup> last year. Pennsylvania ranked 28<sup>th</sup> and Delaware ranked 30<sup>th</sup>.

## 9. National Health Care News

- a. On January 16, Moody's Investors Service issued a "Sector Comment" on not-for-profit and for-profit hospitals entitled "Developments to watch: 2020." The comment notes that Medicare reimbursements will increase and cuts to disproportionate share payments have been postponed until May but planned cuts to the 340B prescription discount program and changes to the site-neutrality payment policies are likely to have a negative effect. Operating and capital investments by hospitals in programs to address social determinants of health may curb their financial resources to invest in other programs with more immediate returns. Also, big retail and big tech will continue to encroach on the territory of hospitals.
- b. A slide presentation from S&P Global Ratings on the U.S. Not-For-Profit Health Care Sector 2020 Outlook web event has been provided to the Authority Members. It predicts a stable outlook for 2020 but warns of risks on the horizon.
- c. In December 2018, a federal judge in Texas ruled unconstitutional the individual mandate of the Affordable Care Act that requires most individuals to purchase health insurance. He further stated that the individual mandate was "unseverable" from the ACA, effectively striking down the entire ACA. In December 2019, the federal Circuit Court of Appeals for the Fifth Circuit rendered an opinion upholding Judge O'Conner's determination that the individual mandate was

unconstitutional but sent back to his court to reconsider whether it was indeed severable from the rest of the ACA, thereby not invalidating the entire ACA. Several states and other proponents of the ACA asked the Supreme Court to take up the case but this week the Court refused to do so, leaving the issue of whether the entire ACA is unconstitutional to be decided by Judge O'Connor's court, which could then be appealed again.

- d. A study by the Agency for Healthcare Research and Quality published in Health Affairs found hospital charges increased three to five times Medicare payment rates from 1996 to 2016.
- e. Consulting firm Aon estimates employer-based health insurance costs will grow 6.5% in 2020.
- f. Harvard researchers found that hospitals acquired by health systems experienced a moderate decline in patient experience scores and found no improvement in readmissions or mortality rates.
- g. Articles in Modern Healthcare and HealthLeaders note, respectively, the strides made in social determinants of health last year and an even greater focus of social determinants of health in 2020.
- h. The Centers of Medicare & Medicaid Services ("CMS") has extended the comment period for its proposed health plan price transparency rule to January 29, 2020. Having met with much controversy, the proposed rule would require health plans to disclose the rates they have negotiated with providers. It is the mirror to another controversial rule, finalized in November 2019, requiring hospitals to post the rates they have negotiated with insurers online by January 1, 2021.

#### 10. Bond and Tax Legislation and Regulatory News

- a. Our trade organization, the National Association of Health and Education Facilities Finance Authorities ("NAHEFFA"), joined with the Government Finance Officers Association, the National Association of Bond Lawyers, the National Association of Municipal Advisors, the National Association of State Auditors, Controllers and Treasurers and the National Association of State Treasurers, urged the Securities and Exchange Commission ("SEC") to reject the proposal by the Municipal Securities Rulemaking Board ("MSRB") to impose a "submission calculator" that would more visibly track the timeliness of secondary market disclosures. The trade groups protested that the MSRB did not seek input by market participants before proposing the submission calculator.
- b. The Bond Buyer discussed Moody's Investors Service's annual municipal bond market snapshot, which indicated that five-year municipal bond defaults remain

rare (0.10% from 1970 to 2018), especially compared to corporate five-year bond default rates (6.6%).

- c. The Bond Buyer also presented a report prepared and sponsored by Bloomberg (which was included in the articles provided) entitled “Managing the data revolution in the municipal market.” Noting that the municipal bond market has been relatively slow to adopt information, transparency and technology changes, which have been more readily adopted by other financial markets, the report posits that the municipal bond market is beginning to move at a much more rapid pace to become data driven, streamlined and transparent.

As there was no further business, following a motion by Dr. Kazmir and a second by Mr. Lovell, the Members voted unanimously to adjourn the meeting at 11:42 am.

I HEREBY CERTIFY THAT THE  
FOREGOING IS A TRUE COPY OF  
MINUTES OF THE NEW JERSEY  
HEALTH CARE FACILITIES  
FINANCING AUTHORITY MEETING  
HELD ON JANUARY 23, 2020.

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Cindy Kline, Assistant Secretary