

Minutes of the New Jersey Health Care Facilities Financing Authority regular Meeting held on March 23, 2023 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; Greg Lovell, Designee of the Commissioner of Human Services; Bridget Devane and Sam Maddali, Public Members; and via telephone: David Brown, Vice Chair, Public Member (Chairing); Manny Paulino, Designee of the Commissioner of Banking and Insurance; Tom Sullivan, Public Member

The following *Authority staff members* were in attendance:

Mark Hopkins, Alpa Patel, Taryn Rommell, Frank Troy, Cindy Kline, Edwin Fuentes, Kia Inman, Ron Marmelstein, Nino McDonald, Diane Johnson, Bill Lohman, Bill McLaughlin; and via telephone, Tracey Cameron and Michael Solidum

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

Stephanie Gibson, Attorney General's Office; Jackie Cornell, Planned Parenthood NCSNJ, Daniel Han, Politico; and, via telephone Noreen Giblin, Governor's Authorities Unit; John Kelly, Wilentz, Goldman, & Spitzer; Erica Holmes, NJ Department of Health; and Carl Alberto, Vice President of Finance St. Luke's Hospital

CALL TO ORDER

Mr. Brown called the meeting to order at 10:17 a.m. and announced that this was a regular Meeting of the Authority, held in accordance with the schedule adopted at the May 26, 2022 Authority meeting. Complying with the Open Public Meetings Act and the Authority's By-laws, notice of this meeting was mailed to The Star-Ledger, the Courier Post, and provided to numerous other newspapers and media outlets serving New Jersey, early enough to publish an announcement at least 48 hours in advance of this meeting.

Mr. Brown reminded Members on the phone to identify themselves before making or seconding a motion.

1. APPROVAL OF MINUTES February 23, 2023 Authority Meeting

Minutes for the Authority's February 23, 2023 Meeting were distributed for review and approval prior to the meeting. Mr. Brown asked for a motion to approve the minutes. Ms. Ford made the motion. Mr. Lovell seconded. Mr. Brown asked if there were any questions or comments on the motion. There were no questions or comments. Mr. Brown called for a vote. All Members voted in the affirmative, except Ms. Devane who abstained, and the minutes were approved.

Mr. Hopkins then announced that Mr. Maddali had arrived and joined the meeting at 10:19am.

2. TEFRA HEARING FOR ST. LUKE’S WARREN HOSPITAL SERIES 2022A

Mr. Brown announced that the following portion of the meeting would be considered a public hearing in connection with the proposed issuance of Series 2022A bonds on behalf of St. Luke’s Hospital. He explained that this hearing was taking place in accordance with the public notice and approval requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended.

Mr. Brown introduced Carl Alberto, Vice President of Finance of St. Luke’s and said that Mr. Alberto was on the phone to answer any questions.

Mr. Brown reminded everyone that this was a public hearing and encouraged everyone to participate. He then called upon Edwin Fuentes to bring us up to date on the transaction.

Mr. Fuentes began by stating that joining us telephonically along with Carl Alberto, Vice President of Finance from St. Luke’s Warren Hospital was John Kelly from Wilentz, Goldman and Spitzer, bond counsel for the Series 2022A transaction.

Mr. Fuentes explained that St. Luke’s Warren Hospital (the “Borrower”), is a subsidiary of St. Luke’s Health Network (the “Network”), a nonprofit corporation headquartered in Pennsylvania. The Network controls 11 acute care hospitals, an organization of physician practices, and other health care related organizations. St. Luke’s Warren Hospital is a 198 licensed-bed, acute care not-for-profit hospital facility located in Philipsburg, New Jersey. Along with several of its affiliates, St. Luke’s Warren Hospital was acquired by St. Luke’s Network, Inc. on February 1, 2012. St. Luke’s Warren is the largest employer in the Philipsburg area and the second largest employer in Warren County.

Mr. Fuentes reminded Members that at the Authority’s January 2022 meeting, the members approved the contingent sale of the St. Luke’s Warren Hospital Obligated Group Issue, Series 2022A. The funds were lent to the borrower to refund, redeem, and legally defease all of the outstanding St. Luke’s Warren Series 2013 bonds and to pay costs of issuance. The transaction closed on February 23, 2022, with the bonds purchased directly by Truist Bank. The bonds currently have an outstanding balance of \$39,410,000.

Mr. Fuentes stated that the Series 2022A bonds were initially issued as federally taxable, with the ability to convert to a tax-exempt interest rate mode at a later date (commonly known as “Cinderella Bonds”). The Borrower now seeks to convert their Series 2022A Bonds from a taxable direct purchase rate to a tax-exempt direct purchase rate, in accordance with the provisions set in the Series 2022A Trust Agreement. No board action is required from the members of the Authority. However, in order for the conversion to take place, a TEFRA hearing must be held by the Authority in order to allow interested parties to express their views in connection with the conversion. Notice of the TEFRA hearing was posted on the Authority’s website on March 15th, at least seven days in advance of the hearing, in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended. As of yesterday morning, Mr. Fuentes noted that no public comments have been received via letter or email.

Should the Members have any questions or concerns, Mr. Fuentes said, the St. Luke's management team, John Kelly from Wilentz, Goldman and Spitzer, or he would address them.

Mr. Brown asked if any Members had any questions. There were none. He then asked if anyone from the public had any comments or questions. There were none.

Mr. Brown said that he now would close the public hearing in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended.

3. APPROVAL OF LOAN AGREEMENT AMENDMENTS TO THE PROJECT DESCRIPTIONS OF THE 15 PLANNED PARENTHOOD OF NORTHERN, CENTRAL, AND SOUTHERN NEW JERSEY FACILITIES RELATED TO THEIR APPROVED FIRST AND SECOND ROUND APPLICATIONS FOR THE FAMILY PLANNING FACILITIES UPGRADE FORGIVABLE LOAN PROGRAM

Mr. Brown called upon Mark Hopkins to present, on behalf of the Loan Evaluation Committee, the recommendation of the proposed Loan Agreement amendments to the project descriptions related to the 15 Planned Parenthood of Northern, Central, and Southern New Jersey facilities approved from the First and Second Round Applications for the Family Planning Facilities Upgrade Forgivable Loan Program.

Mr. Hopkins began by reminding Members that on December 15, 2022 and January 26, 2023, when the Authority made its first and second round of approvals for the Family Planning Facilities Upgrade Forgivable Loan Program (the "Program") Authority Members approved \$6,080,000 for construction and equipment at 15 Planned Parenthood of Northern, Central and Southern New Jersey (PPNCSNJ) facilities.

Thereafter, Mr. Hopkins explained, PPNCSNJ identified additional or alternative medical and information technology equipment needs, and would like to re-allocate certain amounts of those funds to additional or modified equipment lists, such as the number of bariatric exam tables and autoclaves. In addition, after beginning renovations, PPNCSNJ found that the originally submitted categories of renovation work incorporated in a number of the applications were not inclusive of all areas that needed physical upgrades such as plumbing or electrical systems that were identified during the project. Finally, following the receipt of actual contractor and vendor bids and pricing during implementation, anticipated expenses contained within PPNCSNJ's applications have also varied to some extent, generating a need for either more or less funding than approved in certain equipment or renovation budgets.

Mr. Hopkins stated that the proposed amendments to the description of the projects identified below were detailed in the attachments to the memo sent to the Authority Members on March 15, 2023. Loan totals for each facility have not changed. Planned Parenthood of Northern, Central and Southern New Jersey facilities in Absecon at \$750,000, Camden at \$750,000, Delran at \$200,000, Elizabeth at \$295,000, Englewood at \$170,000, Flemington at \$200,000, Franklin Township (Somerset section, replacing its New Brunswick facility) at \$750,000, Hamilton at

\$200,000, Hackensack at \$650,000, Morristown at \$475,000, Newton at \$180,000, Perth Amboy at \$260,000, Shrewsbury at \$520,000 Trenton at \$490,000, and Washington at \$190,000.

Mr. Hopkins noted that the Loan Evaluation Committee has reviewed the proposed amended projects and agrees to recommend the amendments to the 15 Loan Agreements for approval by the Authority Members at the March 23, 2023 Authority meeting.

Mr. Hopkins concluded by saying that a revised proposed resolution approving each of the Planned Parenthood of Northern, Central and Southern New Jersey facilities amendments to the project description in each of the 15 Loan Agreements was provided with to the Authority Members by email yesterday. The Attorney General's office has reviewed the proposed resolution and has no objection to the Authority Members' consideration of same. Staff recommends approving the revised resolution provided yesterday to amend the Loan Agreement for each of the 15 PPNCNJ Loans previously approved by the Authority Members. No other terms or conditions of the Loan Agreements are being changed. He added that Taryn Rommell or he would be happy to answer any questions the Authority Members had.

Ms. Devane asked if the Department of Health is aware and needs to approve any of the changes that are taking place.

Mr. Hopkins responded by informing her that the Loan Evaluation Committee consists of two Members from the Department of Health, they are fully aware of these changes and they have no concerns and identified no licensing or Certificate of Need requirements associates with the amendment at this time. Usual local approvals and permits will, of course, be required.

Mr. Brown asked for a motion to approve the resolution to amend the project descriptions in the Loan Agreements for the 15 Planned Parenthood of Northern, Central, and Southern New Jersey facilities which were approved for forgivable loans during the first and second round of applications for the Family Planning Facilities Upgrade Forgivable Loan Program. Ms. Devane made the motion. Ms. Ford seconded. Mr. Brown asked if there were any questions or comments on the motion. There were no questions or comments. Mr. Brown called for a vote. All Members voted in the affirmative and the motion was approved.

AB RESOLUTION NO. 2023-3-A

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby adopts the resolution entitled, **"A RESOLUTION APPROVING AN AMENDMENT TO THE PROJECT DESCRIPTIONS IN EACH OF THE LOAN AGREEMENTS RELATING TO THE FIFTEEN FAMILY PLANNING FACILITIES UPGRADES FORGIVABLE LOANS PREVIOUSLY APPROVED BY THE AUTHORITY ON DECEMBER 15, 2022 AND JANUARY 26, 2023 WHICH AUTHORIZED FORGIVABLE LOANS IN THE AGGREGATE AMOUNT OF \$6,080,000 TO PLANNED**

**PARENTHOOD OF NORTHERN, CENTRAL, AND
SOUTHERN NEW JERSEY, INC.”**

(attached)

4. EXECUTIVE SESSION

Mr. Brown asked for a motion to go into Executive Session to discuss personnel matters. Mr. Brown announced that the results of the discussion would be made public when the need for confidentiality no longer existed.

Mr. Lovell offered the motion. Mr. Sullivan seconded the motion. Mr. Brown asked if the Members had any questions on the motion. There were no questions. Mr. Brown called for a vote. All Members voted in the affirmative and the resolution was approved.

The Members entered into Executive Session at 10:31 a.m.

AB RESOLUTION NO. 2023-3-B

NOW, THEREFORE, BE IT RESOLVED, that, as permitted by the Open Public Meetings Act and the Authority’s By-laws, the Authority meet in Executive Session to discuss personnel matters;

BE IT FURTHER RESOLVED, that the results of discussions may be made known at such time as the need for confidentiality no longer exists.

The Members returned to Public Session at 11:54 a.m.

5. RECOMMENDATION OF EXECUTIVE DIRECTOR

Mr. Brown asked Robin Ford, on behalf of the Hiring Committee, for a motion to hire a candidate for the position of Executive Director effective May 1, 2023, at the salary discussed during executive session.

Ms. Ford made a motion to select Frank Troy as Executive Director beginning May 1, 2023 at the salary discussed in Executive Session. Mr. Sullivan seconded the motion. Mr. Brown asked if the Members had any questions on the motion. There were no questions. Mr. Brown called for a vote. All Members voted in the affirmative and the resolution was approved.

Mr. Troy thanked the Members and Staff for considering him for the position. Mr. Hopkins, along with Mr. Brown, expressed their congratulations.

AB RESOLUTION NO. 2023-3-C

NOW, THEREFORE, BE IT RESOLVED, that Frank Troy is named as Executive Director of the New Jersey Health Care Facilities Financing Authority as Executive Director, effective May 1, 2023, at the salary of \$147,500.

6. AUTHORITY EXPENSES

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

AB RESOLUTION NO. 2023-3-D

WHEREAS, the Members of the Authority have reviewed the memoranda dated March 15, 2023 summarizing expenses incurred by the Authority in connection with Trustee/Escrow Agent/Paying Agent fees and general operating expenses in the amount of \$0 and \$15,532.11, 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.

7. STAFF REPORTS

Mr. Brown thanked staff for the Project Development Summary and Cash Reconciliation Report.

Mr. Brown then asked Executive Director Hopkins to present his Executive Director's report.

Mr. Hopkins asked the Members if they would accept his written version of his Executive Director's Report in the interest of time. All the Members agreed. Mr. Hopkins noted a congratulations again to Frank Troy. He also welcomed the new Authority Member, Mr. Maddali, and assured everyone Dr. Kazmir will receive a resolution at the next meeting in honor of his many years of service to the Authority.

As there was no further business, Mr. Brown asked for a motion to adjourn. Mr. Lovell made the motion and Ms. Ford seconded. All Members voted in the affirmative. The meeting was adjourned at 12:00 p.m.

I HEREBY CERTIFY THAT THE
FOREGOING IS A TRUE COPY OF
MINUTES OF THE NEW JERSEY
HEALTH CARE FACILITIES
FINANCING AUTHORITY MEETING
HELD ON MARCH 23, 2023.

Cindy Kline, Assistant Secretary