

These are the Minutes of the New Jersey Health Care Facilities Financing Authority's regular Meeting held on May 22, 2025, on the fourth floor of Building #4, Station Plaza, 22 South Clinton Avenue, Trenton, NJ.

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

***On-Site:*** Public Member Arthur Kapoor. ***Via Microsoft Teams:*** Noah Glyn, Designee of the Commissioner of Health (Chairing); Greg Lovell, Designee of the Commissioner of Human Services; Manny Paulino, Designee of the Commissioner of the Department of Banking and Insurance (*arrived at 10:06 a.m.*); and Public Members Bridget Devane, Sam Maddali and Tom Sullivan.

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

***On-Site:*** Frank Troy, Cindy Kline, Bill McLaughlin, Ron Marmelstein, Edwin Fuentes, Jeff Solimando, Michael Solidum, Taryn Rommell, Jose Lora and Alpa Patel. ***Via Phone:*** Tracey Cameron and Jessica Waite.

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

***On-site:*** Stephanie Gibson, Attorney General's Office; Samuel Kovach-Orr, Governor's Authorities Unit; ***Via Microsoft Teams:*** Aimee Manocchio-Nason, Samantha Guzman and Bernard Davis, Attorney General's Office; Christian Casteel, Department of Human Services; Brian Bradley, RBC Capital Markets; John Kelly, Wilentz, Goldman & Spitzer, P.A.; Jeremy Ostow, Esq; Bill Golubinski, Department of the Treasury; David Moore, Office of Public Finance; and Kaitlyn Wojtowicz, Planned Parenthood.

## **CALL TO ORDER**

Noah Glyn, Designee of the Commissioner of Health, called the May 22, 2025 Authority meeting to order at 10:01 a.m. by announcing that this was a regular meeting of the Authority, held in accordance with the schedule adopted at the May 23, 2024, Authority meeting.

Mr. Glyn stated that in compliance with the Open Public Meetings Act and the Authority's By-laws, a notice of this meeting was mailed to *The Star-Ledger* and 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. Glyn requested that Members have their cameras turned on during the voting process, then called on Authority Communications Specialist Jeff Solimando to call the roll and establish attendance. After the roll was called and quorum was established, Mr. Glyn reminded members that in addition to having their cameras on to please identify themselves before making or seconding a motion.

## **1. APPROVAL OF MINUTES**

### *- April 24, 2025 Authority Meeting*

The Minutes for the Authority's last regular meeting held on April 24, 2025, were distributed for Member review and approval prior to today's meeting.

Mr. Glyn reminded Members that only those in attendance or who have familiarized themselves with the minutes should vote. Mr. Glyn then requested a motion to approve the April 24, 2025, Minutes. Mr. Lovell made the motion and Mr. Sullivan seconded.

Mr. Glyn confirmed who made the motion and who seconded it and then asked if there were any questions or comments on the motion. There were no questions or comments. Mr. Glyn then called for a vote. All Members voted in the affirmative, and the motion was approved.

Before moving forward with the meeting's second agenda item, Mr. Glyn paused for an announcement from the Authority's Executive Director, Frank Troy.

Mr. Troy advised Members that in December 2024, Mr. Glyn sent a statement to the Authority regarding a potential conflict of interest and recused himself from matters relating to the Family Planning Forgivable Loan Program. Mr. Troy further stated that Mr. Glyn has renewed this recusal, which will remain in effect until rescinded. Mr. Troy thanked Mr. Glyn for his transparency and approach to serving as Acting Commissioner Brown's designee.

## **2. CONTINGENT BOND SALE & INFORMATIONAL PRESENTATION**

### *- Department of Health – Energy Efficiency Projects*

Mr. Glyn called upon Edwin Fuentes to present Members with the details of the contingent bond sale on behalf of Authority's Department of Health Lease Revenue Bonds (Energy Efficiency Projects) Series 2025.

Mr. Fuentes began by introducing David Moore from the Office of Public Finance, Bill Golubinski, Energy Initiatives Manager from the Office of Public Finance, and Jerry Ostow, bond counsel for the proposed financing.

Mr. Fuentes advised Members that the Authority is seeking approval of a contingent sale of the Authority's Department of Health Lease Revenue Bonds (Energy Efficiency Projects) Series 2025 (which he refers to as the "2025 Bonds").

Mr. Fuentes advised Members that he would summarize certain transaction terms for the financing and then turn the presentation over to bond counsel, who will outline the respective resolutions. Mr. Fuentes stated that the Office of Public Finance is requesting the Members' consideration of a contingent sale of the 2025 Bonds in an aggregate principal amount not to exceed \$30 million. The bonds are being issued in order to fund energy efficiency improvements and upgrades at the

Department of Health's (the "DOH") Trenton Psychiatric Hospital and Ann Klein Forensic Center facilities located in Trenton, New Jersey.

Mr. Fuentes stated that the proceeds of the 2025 Bonds will be used for executing an investment-grade energy audit; developing an energy savings plan; removing and/or demolishing equipment and building components as required; the constructing, reconstructing, rehabilitating, renovating, equipping and installing of new equipment, building systems and/or building improvements to facilitate energy conservation and energy efficiency on the leased premises; procuring the services of a third-party measurement and verification consultant to produce energy savings reports for three (3) years post-construction; and for paying the issuance costs of the financing.

Mr. Fuentes stated that the bond transaction is being structured as Lease Revenue Bonds, whereby, the DOH enters into a Lease with the Authority and the Authority, in turn, subleases the leased property back to the DOH. The sublease requires the DOH to make rental payments sufficient to cover the payment when due of the principal and interest on the respective bonds, along with administrative expenses incurred by the Authority. The rental payments received by the Authority from the DOH will pay the debt service on the bonds and the administrative expenses of the Authority.

These rental payments will be subject to appropriation by the State Legislature, and the failure of the State Legislature to make any such appropriation will not result in a default under the bonds.

Mr. Fuentes advised Members that pursuant to the authorizing resolution, and in accordance with Executive Order No. 26 (Whitman 1994), the Authority determined to sell the 2025 Bonds pursuant to a "negotiated sale" and found that a negotiated sale is permissible as a result of the complex financing structure and volatile market conditions. While typically our Members approve negotiated sales with separate resolutions, the authorizing resolution presented to you today approves the use of a negotiated sale in accordance with the State's practice regarding appropriation bonds.

Mr. Fuentes stated that upon recommendation of the Treasurer based upon Treasury's competitive RFP process and in accordance with Executive Order No. 26, the resolution appoints JPMorgan Chase Bank, N.A. as the lending bank in connection with the 2025 Bonds.

Mr. Fuentes concluded his portion of the presentation by informing Members that Jeremy Ostow, bond counsel for the transaction, will outline the Resolution for the financing.

Mr. Fuentes added that post-reading, both he, Mr. Moore, Mr. Golubinski and Mr. Ostow would address any Member questions.

## **BOND RESOLUTION**

Mr. Ostow began by advising Members that the Resolution authorizes the issuance of the Authority's tax-exempt Department of Health Lease Revenue Bonds (Energy Efficiency Projects) Series 2025 in an aggregate principal amount not to exceed \$30 million, and at a true interest cost not to exceed 5.0% per annum. The 2025 Bonds would have a final maturity no later than nine (9)

years after the date of issuance, and a maximum redemption price no greater than 103% of the principal amount of bonds being redeemed, provided that the redemption price of 2025 Bonds subject to optional redemption pursuant to a make-whole provision may exceed 103% of the principal amount of 2025 Bonds being redeemed. The bonds would be secured by basic rent payments made by the DOH under the Sublease and Agreement between the DOH and the Authority.

Mr. Ostow stated that pursuant to the resolution and in accordance with Executive Order No. 26 (Whitman 1994), the Authority determines to sell the Bonds pursuant to a “negotiated sale” and finds that such negotiated sale is permissible as a result of the complex financing structure and volatile interest rate conditions.

Mr. Ostow stated that the Resolution approves in substantially final form the Lease, to be entered into by the DOH as lessor and the Authority as lessee, as well as the Sublease and Agreement between the Authority as sublessor and DOH as sublessee.

Mr. Ostow also said that the Resolution approves the selection of RBC Capital Markets, LLC, as Bank Solicitation Agent for the bonds and the substantially final form of the Bank Solicitation Agent Agreement between the Authority and the Bank Solicitation Agent, and the selection of JPMorgan Chase Bank, N.A. as the Lender and the substantially final form of the Bank Loan Agreement, between the Authority and the Lender. The Resolution approves the substantially final form of the Indenture and appoints U.S. Bank Trust Company, National Association as the Trustee, Bond Registrar and Paying Agent. The Resolution authorizes an Authorized Officer of the Authority, with the advice of Bond Counsel and the State Attorney General, to make such changes and insertions to and deletions from such forms of the bond documents as may be necessary or appropriate.

Mr. Ostow explained that the Resolution also establishes the “official intent” of the Authority, within the meaning of Treasury Regulation §§1.103-8(a)(5) and 1.150-2, to reimburse with proceeds of the Series 2025 Bonds certain expenditures paid prior to the date hereof from DOH’s or the Authority’s own funds, which are not proceeds of a tax-exempt borrowing. The maximum amount of costs, if any, to be reimbursed through proceeds is \$30,000,000.

Mr. Ostow concluded by stating that the Resolution authorizes the Authorized Officers of the Authority to make such other determinations and take such actions as may be necessary or advisable in connection with the issuance, sale and delivery of, and security for, the bonds and which are not inconsistent with the provisions of the Resolution and the Indenture. Such determinations and actions may include, without limitation, the execution of a Rate Lock Agreement with the Lender on terms acceptable to the Authority and the Treasurer, and the adoption of post issuance tax compliance procedures for the 2025 Bonds and the amendment of such post issuance tax compliance procedures from time to time.

Mr. Glyn thanked both Mr. Fuentes and Mr. Ostow, then asked if there were any questions on the presentation. There were none. He then asked for a motion to approve a resolution to approving a contingent bond sale on behalf of Trenton Psychiatric Hospital and Ann Klein Forensics Center. Mr. Lovell offered the motion. Mr. Kapoor seconded.

Mr. Glyn confirmed who made the motion and who seconded it and then asked if there were any questions or comments on the motion. There were no questions or comments. Mr. Glyn then called for a vote. All Members voted in the affirmative, and the motion was approved.

### **AB RESOLUTION NO. 2025-5-A**

**NOW, THEREFORE, BE IT RESOLVED**, that the Authority hereby approves the Resolution entitled “**A RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY REFUNDING BONDS, DEPARTMENT OF HEALTH LEASE REVENUE BONDS (ENERGY EFFICIENCY PROJECTS) SERIES 2025.**”

*(attached)*

### **3. AMENDMENTS TO BOND DOCUMENTS**

- *Princeton Healthcare System, Series 2016C*

Mr. Glyn called on Edwin Fuentes to explain the proposed amendments to the Princeton Healthcare System, Series 2016C bond documents to the Members.

Mr. Fuentes began by introducing John Kelly of Wilentz, Goldman, and Spitzer, Bond Counsel for the proposed amendments, joining the meeting via Microsoft Teams.

Mr. Fuentes then stated that staff is requesting Members’ approval of a Resolution Of The New Jersey Health Care Facilities Financing Authority Authorizing Certain Amendments To The Trust Agreement Relating To Its Outstanding Revenue Bonds, Princeton Healthcare System Issue, Series 2016C, And Entering Into A Second Amended And Restated Trust Agreement In Connection Therewith (the “Resolution”).

According to Mr. Fuentes, Princeton HealthCare System (the “Borrower”) is a New Jersey not for profit healthcare system, currently with three (3) series of bonds outstanding with this Authority. The current principal amount of all outstanding debt with the Borrower totals \$229,590,000.

Mr. Fuentes stated that on January 20, 2016, this Authority issued its Revenue Bonds, Princeton HealthCare System Issue, Series 2016C in the par amount of \$20,000,000, with the full amount of principal still outstanding. The Series 2016C bonds are currently owned by Banc of America Public Capital Corp and are subject to mandatory tender and purchase on July 1, 2025. Wells Fargo Bank, National Association (“Wells Fargo”), has agreed with the Borrower to pay the purchase price due to the current owner of the bonds, and will subsequently become the sole bondholder and ‘Purchaser’ for all purposes under the existing Trust Agreement. It is also agreed

that the index rate on the bonds will be changed to the Securities Industry and Financial Markets Association Municipal Swap Index (the “SIFMA Index”).

Mr. Fuentes went on to state that in order to facilitate the proposed changes, both the Borrower and Wells Fargo agree that the existing Trust Agreement should be amended and restated in order to reflect Wells Fargo (or one of its affiliates) as the new ‘Purchaser,’ replace the current index rate with the SIFMA Index, and capture any other amendments or modifications as may be necessary to effectuate the foregoing.

Mr. Fuentes said the Resolution presented to you today provides for the adoption and approval by the Authority of the Second Amended and Restated Trust Agreement for the Series 2016C 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 Second Amended and Restated Trust Agreement.

Mr. Fuentes concluded by stating staff recommends approval of the Resolution presented to Members today. If the Members had any questions regarding the resolution, Mr. Kelly or he would address them.

Mr. Sullivan asked if the interest rate would be changing. Mr. Fuentes responded that it could change, as it is a variable rate transaction.

Mr. Glyn thanked Mr. Fuentes, then asked if there were any more questions on the presentation. There were none. He then asked for a motion to approve the amendments to the Princeton Healthcare System, Series 2016C bond documents. Mr. Lovell offered the motion. Mr. Sullivan seconded.

Mr. Glyn confirmed who made the motion and who seconded it and then asked if there were any questions or comments on the motion. There were no questions or comments. Mr. Glyn then called for a vote. All Members voted in the affirmative, and the motion was approved

#### **AB RESOLUTION NO. 2025-5-B**

**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, PRINCETON HEALTHCARE SYSTEM SERIES 2016C AND OTHER INCIDENTAL ACTIONS RELATED THERETO.**”

*(attached)*

#### **4. SFY 2025 FAMILY PLANNING FACILITIES UPGRADES FORGIVABLE LOAN PROJECT AMENDMENTS**

- *Planned Parenthood Northern, Central, Southern New Jersey – Camden, Hackensack & Morristown*

Mr. Glyn called on Ms. Rommell to present a recommendation on behalf of the Loan Evaluation Committee regarding the proposed loan agreement amendments to the project descriptions related to three Planned Parenthood of Northern, Central, and Southern New Jersey facilities located in Camden, Hackensack & Morristown for their approved SFY2025 Family Planning Facilities Upgrade Forgivable Loan Program.

Ms. Rommell began by saying that on November 21, 2024, and December 19, 2024, when the Authority made approvals for the SFY2025 Family Planning Facilities Upgrade Forgivable Loan Program (the “Program”), Authority Members approved \$6,041,189.40 for construction and equipment at fifteen Planned Parenthood of Northern, Central and Southern New Jersey (PPNCSNJ) facilities.

Ms. Rommell stated that three of the PPNCSNJ facilities identified additional or alternative medical equipment, information technology equipment, and renovation needs, and would like to re-allocate certain amounts of those funds to additional or modified equipment and renovation lists.

Ms. Rommell reminded Members 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 May 14, 2025. Loan totals for each facility have not changed. The three Planned Parenthood of Northern, Central, and Southern New Jersey facilities in question are: Camden (approved for \$750,000), Hackensack (approved for \$750,000), and Morristown (approved for \$750,000).

Ms. Rommell then said that the Loan Evaluation Committee, consisting of Authority and Department of Health personnel, has reviewed the proposed amended projects and agrees with the recommendation of the amendments to the Authority Members at this meeting.

Ms. Rommell concluded her presentation by advising Members that the proposed resolution approving the three PPNCSNJ facilities project description amendments in each Loan Agreement was also provided on May 14, 2025. The Attorney General’s office has reviewed the proposed resolution and has no objection to the Authority Members’ consideration of the same. Staff recommends approving the resolution provided with your board package to amend the Loan Agreement for three of the PPNCSNJ Loans previously approved by the Authority Members. No other terms or conditions of the Loan Agreements are being changed.

She then informed Members that either Frank Troy or she would be happy to answer any questions the Authority Members may have.

Mr. Kapoor asked if \$750,000 is the maximum threshold amount. Mr. Troy responded that \$750,000 is the maximum allowed per location.

Mr. Lovell asked Ms. Rommell what year of the forgivable loan process we’re in. Ms. Rommell responded that we are in the third year of the program.

Mr. Lovell then asked if the facilities received more than one forgivable loan. Ms. Rommel responded yes, however all three may not have been included in the first year, but they were in the second.

Mr. Lovell asked Ms. Rommel if the Department of Health and/or the Authority reviewed the projects being considered are not the same as in previous years. Ms. Rommel said yes, that is correct.

Mr. Glyn thanked everyone for their questions and feedback, then asked if there were any further questions on the presentation. There were none.

Mr. Glyn then asked for a motion to approve the resolution to amend the project descriptions in the loan agreements for Planned Parenthood, Northern, Central, Southern New Jersey – Camden, Hackensack and Morristown, which were approved for forgivable loans for the SFY 2025 Family Planning Facilities Upgrade Forgivable Loan Program. Mr. Sullivan made the motion and Mr. Paulino seconded.

Mr. Glyn confirmed who made the motion and who seconded it and then asked if there were any questions or comments on the motion. There were no questions or comments. Mr. Glyn then called for a vote. All Members except for Mr. Glyn, who recused himself, voted in the affirmative, and the motion was approved.

#### **AB RESOLUTION NO. 2024-5-C**

**NOW, THEREFORE, BE IT RESOLVED**, that the Authority hereby adopts the resolution entitled, “**A RESOLUTION APPROVING AMENDMENTS TO THE PROJECT DESCRIPTIONS IN EACH OF THE LOAN AGREEMENTS RELATING TO THREE FAMILY PLANNING FACILITIES UPGRADES FORGIVABLE LOANS PREVIOUSLY APPROVED BY THE AUTHORITY ON NOVEMBER 21, 2024 AND DECEMBER 19, 2024 WHICH AUTHORIZED FORGIVABLE LOANS IN THE AGGREGATE AMOUNT OF \$6,041,189.40 TO PLANNED PARENTHOOD OF NORTHERN, CENTRAL AND SOUTHERN NEW JERSEY, INC CAMDEN, HACKENSACK & MORRISTOWN.**”

*(attached)*

#### **5. NEGOTIATED SALE REQUEST**

- *Equipment Revenue Note Program*

Mr. Glyn called on Michael Solidum to present a request for a negotiated sale in the form of a private placement for the Equipment Revenue Note Program to the Members.



Mr. Solidum began by referencing the Authority's Equipment Revenue Note Program, which offers borrowers a quick turnaround for financings no greater than \$60 million for the purpose of acquiring equipment or retrofitting a facility for equipment.

Mr. Solidum noted that, at prior meetings of the Authority, the Members pre-approved the use of a negotiated private placement for financings completed under this Program. A predetermination of this method of sale is permitted under Executive Order #26 (Whitman) and was requested by the Authority's Advisory Panel in order to complete these transactions in a more efficient and timely manner.

Therefore, Mr. Solidum explained, the Members were provided with a Resolution for consideration which extends the ability to use negotiated private placements for the Equipment Revenue Note Program through May 31, 2026.

Mr. Solidum asked if there were any questions, which there were none. Mr. Glyn asked for a motion to approve the request for a negotiated sale in the form of a private placement for the Authority's Equipment Revenue Note Program. Mr. Lovell made the motion. Mr. Kapoor seconded.

Mr. Glyn confirmed who made the motion and who seconded it and then asked if there were any questions or comments on the motion. There were no questions. All Members voted in the affirmative and the resolution was approved.

#### **AB RESOLUTION NO. 2025-5-D**

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

*(attached)*

#### **6. ANNUAL MEETING ITEMS**

- *Election of Officers*
- *2025/2026 Meeting Calendar*

- *Election of Officers*

Mr. Glyn made the following nominations:

### **Officers of the Authority**

Vice Chair	Arthur Kapoor
Secretary	Bridget Devane
Assistant Secretaries	Ron Marmelstein Cindy Kline
Treasurer	Sam Maddali
Assistant Treasurer	Bridget Devane

### **Authority Finance/Evaluation Committees**

Chair	Sam Maddali
Members	Arthur Kapoor Thomas Sullivan
Alternate Member	Bridget Devane

### **Authority Audit Committee**

Chair	Manny Paulino
Members	Greg Lovell Ryan Feeney

According to the Authority's enabling legislation, Jeffrey A. Brown as Acting Commissioner of the New Jersey Department of Health, will remain as Chair.

Mr. Glyn asked if there were any other nominations. There were none. Mr. Glyn asked for a motion to approve the list of nominations. Mr. Paulino made the motion. Mr. Lovell seconded. Mr. Glyn confirmed who made the motion and who seconded it and then asked if there were any questions or comments on the motion. There were no questions or comments. Mr. Glyn then called for a vote. All Members voted in the affirmative, and the motion was approved.

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

**AB RESOLUTION NO. 2025-5-E**

**NOW, THEREFORE, BE IT RESOLVED**, that the following individuals are hereby elected to serve in the official positions noted until May 28, 2026, or until the next election of officers:

Vice Chair – Arthur Kapoor  
Secretary – Bridget Devane  
Treasurer – Sam Maddali  
Assistant Treasurer – Bridget Devane  
Assistant Secretaries – Ron Marmelstein and Cindy Kline

**BE IT FURTHER RESOLVED**, that the Authority's Finance/Evaluation Committee(s) will be chaired by Sam Maddali with Arthur Kapoor and Thomas Sullivan serving as Committee members, and Bridget Devane serving as an alternate member.

**BE IT FURTHER RESOLVED that** the Authority's Audit Committee consists of the ex-officio Members from the Department of Banking and Insurance, and the Department of Human Services or their designees. Manny Paulino, Banking and Insurance as chair, Greg Lovell and Ryan Feeney, Department of Treasury as Members.

- *2025/2026 Meeting Calendar*

Mr. Glyn referenced a proposed list of dates on which to conduct meetings of the Authority and its Finance Committee for the coming year then asked for a motion to approve. Mr. Lovell offered a motion to adopt the schedule and Mr. Sullivan seconded. Mr. Glyn confirmed who made the motion and who seconded it and then asked if there were any questions or comments on the motion. There were no questions or comments. Mr. Glyn then called for a vote. All Members voted in the affirmative, and the motion was approved.

**AB RESOLUTION NO. 2025-5-F**

**NOW THEREFORE, BE IT RESOLVED**, that the Authority hereby adopts the following schedule of dates on which to conduct meetings of 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>AUTHORITY MEETING</b>
<b>Board Room 10:00 a.m.</b>
<b>2025</b>
Thursday, June 26
Thursday, July 24
Thursday, August 28
Thursday, September 25
Thursday, October 23
Thursday, November 20
Thursday, December 18
<b>2026</b>
Thursday, January 22
Thursday, February 26
Thursday, March 26
Thursday, April 23
Thursday, May 28

Mr. Glyn 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, 22 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.

**7. AUTHORITY EXPENDITURES**

Mr. Glyn referenced a summary of Authority expenses and invoices provided to the Members and asked if there were any questions or comments on the material distributed. There were none.

Mr. Glyn requested a motion to approve the bills and authorize payment. Mr. Sullivan made the motion to approve the expenses. Mr. Maddali seconded. Mr. Glyn confirmed who made the

motion and who seconded it and then asked if there were any questions or comments on the motion. There were no questions or comments.

Mr. Glyn called for a vote. All Members voted in the affirmative, and the motion was approved to accept all expenses as submitted and authorize payment.

#### **AB RESOLUTION NO. 2025-5-G**

***WHEREAS***, the Members of the Authority have reviewed the memoranda dated May 14, 2025, summarizing expenses incurred by the Authority in connection with Trustee/Escrow Agent/Paying Agent fees and the memorandum dated May 14, 2025 summarizing general operating expenses, in the amounts of \$20,500.00 and \$63,438.54, 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.

#### **8. STAFF REPORTS**

Mr. Glyn thanked staff and then asked Executive Director Frank Troy to present his Executive Director's report.

Mr. Troy reported the following:

1. I would like to thank the Authority Members, designees and Authority staff for completing their annual Financial Disclosure Statement pursuant to Executive Order No. 2 (Murphy 2018). The Authority was 100% compliant by the May 15, 2025 due date.
2. New Jersey Hospital News
  - a) The spring 2025 Leapfrog grades were released. New Jersey moved up from 5<sup>th</sup> to 3<sup>rd</sup> nationwide for hospital safety. 54.4% of the State's hospitals received an A grade. None received a D or F. Utah maintained its number 1 ranking followed by Rhode Island.
  - b) Jefferson Health ("Jefferson") announced the appointment of Michael P. Harrington, CPA, MBA, as its new Executive Vice President and Chief Financial Officer (CFO). With more than 30 years of experience in financial leadership across prominent healthcare institutions, Mr. Harrington comes to Jefferson from Memorial Sloan Kettering (MSK) Cancer Center in New York, where he has served as CFO since 2019. Jefferson is the parent of the former Kennedy Health System.

- c) As reported last month, former State Commissioner of Health Dr. Kaitlan Baston, M.D. is now interim CEO of University Hospital (“University”). Dr. Baston is the fifth CEO in six years to lead New Jersey’s only public hospital which has been a State-owned facility since 2013.
- d) Thanks to a recent regulatory waiver from the Department of Health, a number of hospital Emergency Medical Services (“EMS”) rigs are permitted to carry blood and administer blood transfusions at the scene or during transport. University, Hackensack Meridian Health, Virtua Health and St. Luke’s University Health Network are among the first in the nation to provide the service. As bleeding is the leading cause of death for traumatic injuries, there has been a national push for EMS professionals to provide more meaningful intervention prior to arrival at the emergency department.
- e) Hudson Regional Hospital has named Paige Dworak its COO. Ms. Dworak was most recently president and CEO of CareWell Health Medical Center in East Orange.
- f) Hackensack Meridian Health (“Hackensack”) announced several leadership changes. Among them, current COO Mark Stauder will retire in July and will be succeeded by Mark Sparta who has been with the organization for 30 years, most recently as President of Hackensack’s Northern Market and Chief Hospital Executive of Hackensack University Medical Center.
- g) A ribbon-cutting ceremony was held at the RWJBarnabas Health and the Rutgers Cancer Institute’s Jack and Sheryl Morris Cancer Center (the “Center”) on May 13, 2025. The Center is the State’s only National Cancer Institute-designated comprehensive cancer center and was funded in part by Authority bonds.
- h) *Hospitality* reported the 2023 to 2024 change in revenue for the country’s largest health systems. Several are based in or have member hospitals in New Jersey including Atlantic Health System, Hackensack Meridian Health, RWJBarnabas Health, Penn Medicine and Jefferson Health.

### 3. Ratings Agency Actions and Publications

- a) A recent *Fitch Wire* discussed the pressure put on various public finance sectors by federal policies on tariffs, immigration and likely budget cuts. While all sectors will be affected, the states and hospitals would have the highest direct impact from federal spending cuts. Hospitals would also have an elevated risk to volatility in the financial markets. Hospitals were one of only two sectors with an elevated overall credit impact, the other being higher education.

### 4. New Jersey Health Care News

- a) *U.S. News & World Report* released its annual “Best States for Health Care” rankings. New Jersey was ranked fifth overall and best in public health.
- b) Per a recent *NJ Spotlight* article, New Jersey stands to lose \$3.6 billion — nearly a quarter of the federal funding it expected to collect — for its Medicaid program in the

new budget year under legislation now advancing in Congress, according to an analysis by state officials. Medicaid is expected to cost New Jersey \$24.3 billion over the fiscal year that begins July 1, nearly 44% of the total proposed state budget, with nearly \$14.9 billion of that anticipated from Washington, D.C. State lawmakers must finalize and adopt a final budget before the new fiscal year on July 1.

## 5. National Health Care News

- a) The public perception of the U.S. health care system continues to be negative. During a recent web event, professional services firm Forvis Mazars quoted statistics from the *Keckley Report* whose polling found 60% of respondents think the system is fundamentally flawed, 60% believe the system puts profits over patients and 74% think price controls are needed.
- b) A new regulation sent to the Office of Management and Budget by the Centers for Medicare and Medicaid (“CMS”) may signal an overhaul of the controversial “state-directed payments” mechanisms that have risen sharply in recent years. States rely on provider taxes to increase reported spending and receive additional federal funding amounting to over \$110 billion per year. The House Energy and Commerce Committee (the “Committee”) included freezing provider taxes at current rates and a ban on states creating any new ones in their portion of the “big, beautiful bill”. The Committee would also limit state-directed payments to what Medicare would pay for services which would be a substantial decrease from the current rates based on commercial insurer payments. Realistically, cutting these programs could be politically difficult as over forty states, including New Jersey, had state-directed payments in 2024.
- c) Other provisions affecting Medicaid in the Committee’s bill include, among other things, work requirements, requiring enrollees to verify eligibility twice a year and a 10% cut to the federal match for claims for states that allow immigrants without proof of citizenship to participate in the program. Not in the bill was the establishment of site-neutral payments for services under Medicare. Obviously, the situation in Washington is very fluid with the House passing the bill this morning. Provisions are likely to change as the bill advances.
- d) According to Kaufman Hall, hospitals lose an estimated \$306,800 per employed physician per year, an increase of 5% over a year ago. With over 55% of physicians employed by hospitals or health systems, these losses cannot be sustained long term.
- e) Kaufman Hall released the March 2025 *National Hospital Flash Report* noting revenue remains flat and expenses remained elevated due to supply and drug costs. The year-to-date median operating margin was 3.3%. The median was 1.9% a year ago.

## 6. Bond and Tax Legislation and Regulatory News

- a) On May 7<sup>th</sup> the Federal Reserve held the benchmark interest rate steady at 4.25% to 4.50% affirming a wait-and-see approach in response to increasing inflation risk and economic uncertainty.

- b) The recently released Ways and Means Committee Budget Reconciliation bill language included no restrictive tax-exempt bond provisions. While this is certainly encouraging, there is the possibility of amendments on the House floor. Our trade association and its member authorities will continue advocacy efforts and focus more attention on the Senate.

## 7. Other News

None

## 8. Authority News

- a) Thank you to the Members and Authority staff who have accepted officer roles and committee assignments. I would also like to thank the Governor's Office and the Office of the Attorney General for their support. The Authority could not provide the level of service our borrowers and other constituents expect and deserve without you.
- b) We were informed that former Authority Executive Assistant Carole Conover's husband Bob recently passed away after a battle with cancer. We extend our sincere condolences to Carole and Bob's family.
- c) The next regular Authority meeting will be Thursday, June 26, 2025, at 10:00 AM.

Thank you and have a nice Memorial Day weekend.

## 9. ADJOURN

As there was no further business, Mr. Glyn asked for a motion to adjourn. Mr. Lovell made the motion and Mr. Kapoor seconded. Mr. Glyn confirmed who made the motion and who seconded it and then asked if there were any questions or comments on the motion. There were no questions or comments.

Mr. Glyn then called for a vote. All members voted in the affirmative, and the meeting was adjourned at 10:39 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 ON MAY 22,  
2025.

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Cindy Kline, Assistant Secretary