

MINUTES OF THE APRIL 1, 2013, MEETING OF THE HEALTHCARE COMMITTEE OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY

The Board of Directors (the “Board”) of the Illinois Finance Authority (the “IFA”), pursuant to notice duly given, held a Healthcare Committee (the “Committee”) Teleconference Meeting at 1:00 p.m. on April 1, 2013, at the Chicago Office of the Illinois Finance Authority, 180 North Stetson Avenue, Suite 2555, Chicago, IL 60601.

IFA Staff Participants:

Board Members Participating:

Others Participating:

Chairman, Dr. Barclay
Heather Parish
Roger Poole
Brad Zeller

Christopher Meister, Executive Director
Pamela Lenane, Acting General
Counsel/Vice President

Courtney Shea, Acacia Financial Group
Claire Bushey, Crain’s Chicago Business
Marj Halperin, Marj Halperin Consulting

GENERAL BUSINESS

I. Call to Order and Roll Call

Dr. Barclay called the Committee meeting to order at 1:05 p.m. with the above Board Members, IFA staff and other participants present. Dr. Barclay asked Ms. Lenane to call the roll. There being three members present, Dr. Barclay declared a quorum had been met.

II. Review and adoption of the Healthcare Committee Meeting Minutes from March 4, 2013

Dr. Barclay asked for a motion to approve the minutes from March 4, 2013. Mr. Poole moved to approve the above project and the motion was seconded by Mr. Zeller. By voice vote, the Committee approved the above referenced minutes.

III. Project Approvals

Ms. Lenane presented the following projects:

Item A: Rehabilitation Institute of Chicago - \$450,000,000 – Preliminary Resolution

Rehabilitation Institute of Chicago is requesting approval of a Preliminary Resolution in an amount not-to-exceed \$450,000,000. The proceeds will be used by **Rehabilitation Institute of Chicago** (“**RIC**” or the “**Borrower**”) to (i) pay or reimburse, or refinance certain indebtedness the proceeds of which were used to pay or reimburse, the costs of acquiring, constructing, renovating, remodeling and equipping certain of the Borrower’s health care facilities, including but not limited to the construction and equipping of a 27-floor building which will house a 242-bed replacement rehabilitation hospital occupying 17 floors, a seven-floor parking garage, and three floors of medical office space (the “**Project**”), (ii) refinance all or a portion the **Illinois Educational Facilities Authority** Commercial Paper Revenue Notes (**Pooled Financing Program**), (iii) refund all or a portion of the **Illinois Finance Authority** Variable Rate Demand Revenue Bonds (**Series 2009A, 2009B and 2009C**), (iv) fund a debt service reserve fund, if deemed necessary or advisable by the Authority or the Borrower, (v) fund working capital, if deemed necessary or advisable by the Authority or the Borrower, (vi) pay a portion of the interest accruing on the Bonds, if deemed necessary or advisable by Borrower, and (vii) pay certain expenses incurred in connection with the issuance of the Bonds, the refinancing of the Commercial Paper and the refunding of the Series 2009 Bonds.

The Committee requested that Ms. Lenane explain the IFA Board policy regarding minority participation to the members of the RIC financing team.

Dr. Barclay asked for a motion to approve the above project. Ms. Parish moved to approve the project and the motion was seconded by Mr. Poole. By voice vote, the Committee agreed that this project be recommended for Board approval.

Item B: Riverside Health System - \$35,000,000 – Preliminary Resolution

Riverside Health System is requesting approval of a Preliminary Resolution in an amount not-to-exceed \$35,000,000. The proceeds will be used by **Riverside Health System** (“**Riverside**”, “**RHS**” or the “**Borrower**”) to (i) pay or reimburse, or refinance certain indebtedness the proceeds of which were used to pay or reimburse, the costs of acquiring, constructing, renovating, remodeling and equipping certain of the Borrowers’ health care facilities (the “**Project**”), (ii) advance refund all or a portion of the outstanding principal amount of the Illinois Finance Authority Revenue Bonds, Series 2009 (Riverside Health System), (iii) provide for funded interest during construction of the Project, (iv) fund a debt service reserve fund, if deemed necessary or advisable by the Authority or the Borrowers and (v) pay certain expenses incurred in connection with the issuance of the Bonds.

Dr. Barclay asked for a motion to approve the above project. Mr. Zeller moved to approve the project and the motion was seconded by Mr. Poole. By voice vote, the Committee agreed that this project be recommended for Board approval.

VI. Other Business

Ms. Lenane stated that the healthcare sector would be over budget this year. Director Meister mentioned that he would distribute a Fitch Ratings special report on hospitals, Medicare and sequestration cuts to the Committee.

IV. Public Comment

There was no public comment.

V. Adjournment

Dr. Barclay asked for a motion to adjourn. Ms. Parish moved to adjourn and Mr. Poole seconded the motion.

The meeting adjourned at 1:20 p.m.

Minutes submitted by:
Nora O’Brien
Associate General Counsel