

## **MINUTES OF THE ORANGE COUNTY HEALTH FACILITIES AUTHORITY'S MEETING**

Date: Thursday, May 20, 2021

Location: The meeting was an in-person meeting held at the Orange County Administration Building, 201 S. Rosalind Ave., Orlando, Florida, 3<sup>rd</sup> Floor OMB Conference Room, with access also via Zoom and toll-free call-in.

Members Present: Physically Present - Leonard Habas, Robert Szafranski, Darlene Baptiste, and Melissa Schott-Gomez (arrived after meeting began);

Others Present: Physically Present - Counsel to Authority Michael Ryan of Lowndes, Drosdick, Doster, Kantor & Reed, P.A. ("Lowndes"), Danielle Phillipe of Orange County Fiscal and Business Services; Laura Howe of PFM, financial adviser to the Authority; Meka Beecham, MMB Liaison  
Virtually Present - Carol Murray, Assistant to Michael Ryan, Christopher Walrath of Chapman and Cutler LLP, bond counsel; Bob Folz, general legal counsel for AdventHealth; Jeff Graff, Vice President AdventHealth.

### **AUTHORITY AGENDA ITEM 1:**

Call to Order: Chair Leonard Habas called the meeting to order at 9:15 a.m. Those physically and virtually present introduced themselves.

### **AUTHORITY AGENDA ITEM 2:**

Public Comment: Members of the public in attendance were invited to comment on any matters relating to Authority business. There was no public comment.

### **AUTHORITY AGENDA ITEM 3:**

Approval of Minutes: The Minutes of the February 24, 2021 meeting of the Orange County Health Facilities Authority were approved by unanimous vote, without change or addendum, upon motion by Robert Szafranski and seconded by Darlene Baptiste.

### **AUTHORITY AGENDA ITEM 4:**

Bond Counsel Engagement Approval: Mike Ryan presented and introduced a proposed engagement letter from Chapman & Cutler and explained their role acting as Bond Counsel for the Authority. It is typical and usual for an attorney to have an engagement letter signed by the client acknowledging the representation. Bond Counsel issues an opinion that the bonds are tax exempt and drafts the documents for the bond issuance. In this case, the engagement letter states that bond counsel fees and expenses will be paid by AdventHealth.

Action: Robert Szafranski made a motion to approve the execution of the Bond Counsel engagement letter and it was seconded by Darlene Baptiste. Motion unanimously approved.

### **AUTHORITY AGENDA ITEM 5:**

Public Financial Management Engagement Approval: Mike Ryan introduced Laura Howe, attending on behalf of Public Financial Management (“PFM”). PFM has acted as financial advisor for the Authority for many years. It is typical to have an engagement letter executed by the Authority to acknowledge the terms for their representation. The engagement letter was distributed to the Authority members for review prior to the meeting.

Action: Robert Szafranski made a motion to approve the execution of the PFM engagement letter and it was seconded by Darlene Baptiste. Motion unanimously approved.

### **AUTHORITY AGENDA ITEM 6:**

Request by AdventHealth for Bond Issuance: The Chair acknowledged the request by AdventHealth for the issuance by the Authority of tax-exempt bonds for the benefit of AdventHealth and its affiliated entities. Representatives from AdventHealth in attendance were asked to explain the reason for the request and the structure of the transaction. Bob Folz explained that the proposed Authority issuance is a part of a major financing that will refund some outstanding bonds and reimburse AdventHealth with new moneys for projects not previously funded with bond debt. The total amount of bonds to be issued in the aggregate is approximately \$1.1 billion. Jeff Graff explained the requested Orange County Health Facilities Authority bond issue is part of a larger financing plan which includes three other health facilities authorities: Highlands County Health Facilities Authority, Kansas Health Facilities Authority, and Colorado Health Facilities Authority. The majority of the \$1.1 billion is for refinancing existing debt. There are some new money needs which AdventHealth has already expended money and which they will be reimbursing themselves for various construction projects. Chris Walrath explained that the Resolution which he drafted for consideration by the Authority will authorize the issuance of bonds in one or more series. It is the intention for the bonds to go out with a fixed interest rate, although the interest rate will be reset at some point in five or ten years but the reset will be determined at pricing. They would like to have the Authority authorize a bond issue for up to \$100,000,000.00 but the actual dollar amount is still in flux and is dependent upon pricing. The proceeds from the Authority’s bond issue will refund the Authority’s Series 2017 bonds that were issued for the benefit AdventHealth, Bond proceeds will also be used to refinance a 2010 taxable AdventHealth loan and will also likely include a pro rata piece of the new money which include assets in and outside of Central Florida. The documents have been looked at by the Lowndes Firm and are consistent with what has been done in the past and contain the customary indemnities that AdventHealth has always used to protect the Authority and their members moving forward.

The Chair then read the detailed summary of the proposed Resolution in full. Mike Ryan added that the Resolution included as an exhibit a letter from AdventHealth that supports the Authority’s findings in the Resolution, and that PFM has reviewed the Trust Indenture and the Public Offering Statement with particular focus on the financial feasibility of the proposed issue. Laura Howe from PFM stated that from PFM’s review of the documents and the transaction as well as the financials of AdventHealth, PFM saw no issues with the Authority moving forward. Mike Ryan noted that there are a number of draft documents that are attached as exhibits to the Resolution which the Authority by adopting the Resolution will be approving for the closing of

the bond issue and authorizing the Chair or Vice Chair to execute on behalf of the Authority. Mr. Ryan summarized in detail the nature of each of the documents being approved by the Resolution, and reminded the Authority members that the proposed bonds are limited obligations of the Authority payable solely from money to be paid by AdventHealth to the Bond Trustee pursuant to a promissory note that will be executed by AdventHealth.

The Chair asked if anyone had questions. Meka Beecham asked how an entity becomes entitled to reimbursement. Mike Ryan explained that AdventHealth may have built a healthcare facility project or projects using its own moneys, the cost of which qualifies under state law as a healthcare project that can be paid for by the proceeds from an Authority bond issue. Chris Walrath explained that reimbursement of AdventHealth would be allowable from a state law standpoint, provided that the projects had been designated by AdventHealth as reimbursable, which AdventHealth always does. Jeff Graff stated that a lot of recent Orange County projects, including expansions such as the Winter Park hospital, are projects that would be reimbursable.

Action: Motion to adopt the Resolution by Robert Szafranski and seconded by Melissa Schott-Gomez. Motion was unanimously approved by all members.

#### **AUTHORITY AGENDA ITEM 7:**

Other Authority Business: The Chair asked Mike Ryan to explain the Sunshine Law to the new Authority Members. Mr. Ryan described that the law is intended to make visible to the public the business conducted by the Authority and to make sure it is done “in the sunshine” within a noticed public meeting. It prohibits conversations between members about Authority business outside of noticed public meetings.

The Chair asked that the members consider what future Authority positions they may be interested in, and to speak to Mr. Ryan if they have any questions.

#### **AUTHORITY AGENDA ITEM 7:**

Adjournment: No other points of discussion were announced and Mr. Habas asked for a motion to adjourn the meeting. Motion to adjourn made by Robert Szafranski and seconded by Melissa Schott-Gomez was unanimously approved.

Meeting adjourned at 9:43 a.m.

#### **ATTEST:**

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Leonard Habas, Chair

#### **Attachments:**

Exhibit A – Minutes of the February 20, 2021 meeting

Exhibit B – Published Meeting Notice