

OHIO HIGHER EDUCATIONAL FACILITY COMMISSION

MINUTES OF THE MEETING OF THE COMMISSION

January 20, 2016

The Ohio Higher Educational Facility Commission (the "Commission") met on Wednesday, January 20, 2016, at 11:00 a.m. in the Board meeting room on the first floor of the Ohio Department of Education Building, 25 S. Front Street, Columbus, Ohio, written notice of which had been given to all members of the Commission.

The following members attended: Thomas Needles, Chair; Jim Bennett, Vice Chair; Kenneth Kutina, Secretary; Wanda Carter; John Maritn; James Shindler; Susan Tate; John Wells; and James Wilson. Also present was a representative of the institution appearing before the Commission; Ben Christensen of the Ohio Department of Higher Education; and Alexander G. Burlingame of Squire Patton Boggs (US) LLP, Bond Counsel to the Commission.

The meeting was called to order by the Chair. Upon call of the roll, the Secretary declared that a quorum was present. He also stated that the notice of this meeting had been given to all media, organizations or other persons who requested that information in accordance, and in full compliance, with Section 121.22 of the Revised Code.

The Chair noted that the minutes of the Commission meeting of December 16, 2015 were sent to each member prior to this meeting; those minutes are also included in the meeting books for each member. Upon a motion by Mr. Wells that was seconded by Ms. Tate, all Commission members present approved the minutes of that meeting.

UNIVERSITY HOSPITALS

The Chair next called upon Tricia Bires, Director, Treasury, to speak to the Commission members regarding University Hospitals Health System's financing request. Ms. Bires thanked the Commission members noting that the proposed bond issue is for the refunding of the Health System's Series 2007A Bonds that were issued through the Commission and which financed costs of its Vision 2010 Projects. The 2007A Bonds are outstanding in the approximate amount of \$289 million, all or a portion of which may be refunded. The Health System expects to achieve \$16 million to \$17 million of net present value savings as a result of the financing. The Health System may return to the Commission for approval on future refinance transactions, including the refinancing of unrefunded portions of the 2007A Bonds. Ms. Bires expects that an offering document for the proposed bonds will be completed sometime later this month. As the Commission members are aware, the Health System recently completed its acquisitions of St. John's Hospital and Ashland Samaritan Hospital. Ms. Bires believes that the Health System will not be any pursuing any further acquisitions in the near term. Currently, the Health System is in the process of working on its year-end audit, which should reflect budget expectations having been met. The Health System has experienced recent physician growth and increased market share, and is approaching its 150 year anniversary.

Responding to questions from Mr. Needles and Dr. Kutina, Ms. Bires noted that the Health System's new emergency room is very busy but that the health clinic being developed next to it should reduce emergency room traffic. The new clinic is intended to provide for patients' traditional regular health care needs as an alternative to the emergency room. The emergency room is able to meet current demand and the addition of the health clinic will help manage patient flow. Included in clinic services will be obstetrics and pediatrics, as well as pharmacy services. Funding sources for the clinic include grants and fundraising. The Health System will be working with patients so that in the future they will go to the clinic rather than the emergency room for their regular health care needs, including preventive care. It is hoped that the clinic will help patients develop on-going physician relationships. The development of these types of clinics, as a means of establishing more stable physician/patient relationships and limiting emergency room traffic to true emergencies, is the subject of national discussion. Ms. Bires confirmed, however, that if a patient walks into the emergency room, the Health System is required to treat them under current law. Part of those emergency room visits include a discussion of how future clinic visits may be more appropriate, in contrast to visits to the emergency room.

The Health System is pleased with its recent acquisitions, achieving efficiencies with the expansion of electronic health records and increased referrals. Ms. Bires works closely with the Vice President, Treasury and the other members of the Health System's finance department. While the Health System's budgeting function operates out of a different office, the finance department participates in the budgeting process as it relates to debt and investments. The budget is handled by the Health System's controller.

Responding to a further question from Mrs. Carter with respect to the emergency room and the health clinic, Ms. Bires confirmed that the Health System is required to treat and assess visitors to the emergency room. However, it is hoped that those visitors may then be directed to the health clinic for future periodic health care and preventive medicine.

Mr. Burlingame stated that the bond documents have been prepared and are presented in substantially final form. The resolution under consideration approves the issuance of the bonds and related documents.

Mr. Wells moved and Mr. Wilson seconded the motion that Resolution No. 2016-01 be adopted.

There being no further discussion, the Chair called for the roll and, pursuant to the roll call, the following votes were cast:

Aye: Bennett; Carter; Kutina; Martin; Needles; Shindler; Tate; Wells; Wilson

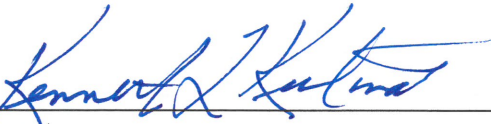
Nay: None

The Chair declared the motion passed and Resolution No. 2016-01 adopted.

Resolution No. 2016-01 is as follows:

CALL OF NEXT MEETING AND ADJOURNMENT

It is now expected that the Commission will next meet on February 17, 2016 in Columbus, if necessary, or upon the call of the Chair. On a motion duly made and seconded, the meeting was adjourned.


Secretary
2/17/2016