

STATE OF CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY  
Minutes of Authority Board Meeting  
May 15, 2024

The State of Connecticut Health and Educational Facilities Authority held a meeting via videoconference and in-person on Wednesday, May 15, 2024.

The hybrid meeting was called to order at 1:38 p.m. by Mr. Peter W. Lisi, Chair of the Board of Directors of the Authority. Those present and absent were as follows:

PRESENT: Peter W. Lisi, Chair  
Michael Angelini, Vice Chair<sup>1</sup>  
Lawrence Davis  
Steve L. Elbaum  
Susan Martin  
Sarah Sanders (*Designee for CT State Treasurer Erick Russell*)<sup>2</sup>  
Mark Varholak<sup>3</sup>

ABSENT: Kimberly Kennison (*Designee for Jeffrey Beckham, OPM Secretary*)  
Alan Mattamana  
Cesarina Thompson

ALSO, PRESENT: Jeanette W. Weldon, Executive Director  
Denise Aguilera, General Counsel  
Charles Bodie, Managing Director of Finance and Operations  
Dan Giungi, Government Relations and Communications Specialist  
Rebecca Hrdlicka, Sr. Administrative Services Assistant  
Robert Jandreau, Sr. Finance Associate  
Krista Johnson, Compliance Specialist  
Dan Kurowski, Manager of Program Development & CHEFA CDC  
Andrew Kwashnak, Senior Systems & Data Analyst  
JoAnne N. Mackewicz, Controller  
Michael F. Morris, Managing Director, Client Services  
Marlene Pagan, Transaction Analyst<sup>4</sup>  
Julia Pollano, Operations Reporting Analyst<sup>5</sup>  
Kara Stuart, Manager of Administrative Services  
Betty Sugerman Weintraub, Manager of Grant Programs & Philanthropic  
Outreach of Connecticut Health and Educational Facilities Authority

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<sup>1</sup> Michael Angelini participated in the meeting via teleconference that permitted all parties to hear each other.

<sup>2</sup> Sarah Sanders participated in the meeting via teleconference that permitted all parties to hear each other.

<sup>3</sup> Mark Varholak participated in the meeting via teleconference that permitted all parties to hear each other.

<sup>4</sup> Marlene Pagan participated in the meeting via teleconference that permitted all parties to hear each other.

<sup>5</sup> Julia Pollano participated in the meeting via teleconference that permitted all parties to hear each other.

**APPROVAL OF MINUTES**

Mr. Lisi requested a motion to approve the minutes of the April 17, 2024 meeting of the Board of Directors. Mr. Davis moved to approve the minutes and Mr. Elbaum seconded the motion.

Upon a voice vote, the “Ayes,” “Nays” and “Abstentions” were as follows:

**AYES**

Michael Angelini  
Lawrence Davis  
Steve L. Elbaum  
Peter W. Lisi  
Sarah Sanders  
Mark Varholak

**NAYS**

None

**ABSTENTIONS**

Susan Martin<sup>6</sup>

**EXECUTIVE DIRECTOR’S REPORT****Authority Updates**

Ms. Weldon turned the floor over to Mr. Giungi for legislative updates. Mr. Giungi reported on the legislative session that adjourned on May 8, 2024. Mr. Giungi provided updates on Senate Bill 304, Senate Bill 305, and Senate Bill 13; Senate Bill 304 and Senate Bill 13 are awaiting signature by the Governor and pertain to CHESLA. Mr. Giungi reported that Senate Bill 305, regarding CHEFA CDC and its tax credit proposal for childcare centers, died in the Finance, Revenue, and Bonding Committee.

Mr. Giungi also provided updates regarding recent media events. Mr. Giungi reported on the event with Freedom Reads to promote their recent CHEFA enterprise capital grant award. The event was attended by the Lieutenant Governor, and stories were published in *Journal Inquirer* and *CT Insider*. Mr. Giungi then reported on the event held at Connecticut Children’s Medical Center’s to acknowledge their new project under construction and funded by CHEFA. Ms. Weldon was a speaker along with the Mayor of Hartford, the Commissioner of Public Health, and medical center representatives. Mr. Giungi noted that a press event for the All Our Kin enterprise capital award is in development.

Mr. Lisi thanked Mr. Giungi for his hard work and coordination with these events.

Ms. Weldon reported on CHEFA client check-in meetings with Griffin Hospital, Quinnipiac University, and Yale University regarding their outstanding debt and future plans. Ms. Weldon noted that meetings with other entities are continuing into June.

Ms. Weldon commented on the retirement plans of Ms. Weintraub and thanked her for all her hard work in CHEFA grantmaking. Ms. Weldon highlighted the success of the nonprofit forum, with this year’s event focused on career and workforce readiness, as one of Ms. Weintraub’s many achievements during her 7 years of service.

Ms. Weldon reported on the upcoming Board orientation scheduled for Monday, May 20<sup>th</sup> at 9:30 AM.

Finally, Ms. Weldon reported on the upcoming webinar hosted by CHEFA regarding artificial intelligence in the municipal market.

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<sup>6</sup> Ms. Martin abstained from voting as she did not attend the Board of Directors meeting held on April 17, 2024.

### Client Updates

Mr. Morris reported that the two upcoming financings for Goodwin University and Yale New Haven Health will be presented today.

Mr. Morris reported on the two new financings for Westminster School and Fairview/Odd Fellows. For the Westminster School transaction, Mr. Morris stated that the School is seeking to refinance an existing taxable loan from 2021 that was previously used to refund a tax-exempt bond from 2014. For the Fairview/Odd Fellows transaction, Mr. Morris reported that the Institution is seeking the refinancing of a \$16 million commercial loan and \$6 million of new money for project initiatives.

### Market Updates

Mr. Jandreau reported on the conditions of the municipal market, headlines relating to the Federal Reserve, and changes for the federal funds rate.

### Financial Report

Ms. Mackewicz reported on the third quarter of FY 2024 ending on March 31, 2024. Ms. Mackewicz reported that operating revenues exceed operating expenses by \$2.6 million, with a net non-operating expense of \$1.1 million and a change in net position of \$1.5 million. Revenues have remained level year-to-year at \$5.8 million and are under budget in FY 2024 by \$78,000. Ms. Mackewicz stated that operating expenses increased by approximately \$300,000 year-over-year but remain under budget by \$196,000 year-to-date, which were mainly due to cloud-based service fees and moving expenses. Ms. Mackewicz also reported that non-operating income increased by \$261,000 year-over-year.

Ms. Mackewicz reported on notable items on the balance sheet, which included an overview of the current and noncurrent assets, current and noncurrent liabilities, and items in the unrestricted reserve fund. 3 new bond issues closed during the 3<sup>rd</sup> quarter totaling \$136 million, bringing the year-to-date total to \$271 million. Ms. Mackewicz outlined the Right of Use Asset and lease liability, then reported on CHEFA's net position as of March 31, 2024 at \$17.9 million representing an increase of \$1.5 million over the prior year.

### FY 2023 HOSPITAL & SENIOR LIVING SECTOR REPORT

Mr. Morris gave a presentation on the CHEFA Hospital Sector Analysis for FY 2023, which provided an overview on the following topics:

- FY 2023 Hospital Results
- CHEFA Portfolio Overview
  - Hospital portfolio outstanding: \$2.5 billion across 34 bond series
  - Total outstanding: \$8.69 billion
- Connecticut hospital landscape
  - Connecticut stand-alone hospitals
  - In-state and multi-state hospital systems
  - Potential acquisitions/mergers
- Operating performance ratios, liquidity metrics, utilization trends, and capital spending ratios

Ms. Johnson then gave a presentation on the CHEFA Senior Living Sector Analysis for FY 2023, which provided an overview on the following topics:

- FY 2023 Senior Living Facility Results
- Connecticut senior living landscape
- Occupancy by service type; operating performance; liquidity metrics; capital structure and cash flows; and capital spending

**FINAL STAFF MEMOS AND AUTHORIZING BOND RESOLUTIONS****Goodwin University Issue, Series A (Authorizing Resolution #2024-05)**

Mr. Jandreau reported that Goodwin University is seeking approval today for up to \$60 million. The proposed transaction will refinance some existing bank loans, as well as fund some new money projects at both the University of Bridgeport and Goodwin University campuses. Mr. Jandreau reported on the strong operating performance of Goodwin University and successful acquisition of the University of Bridgeport, as well as on the diverse revenue areas and student population that Goodwin University maintains.

Mr. Jandreau reported that the official credit rating announcement is expected within the next few days but that the credit rating is presumed to be “BBB-“ with a stable outlook. Mr. Jandreau stated that a mortgage will be included as part of the security if the presumed credit rating is confirmed.

Mr. Jandreau reported that the management of Goodwin University and the University of Bridgeport, with separate Board of Directors and executive managements and structured so that Goodwin University holds reserve powers regarding budgets, mission statements, philosophies, corporate documents, sales and acquisitions, campus changes and constructions, etc.

Mr. Lisi requested a motion for approval of up to \$60 million for the Goodwin University Issue, Series A (Resolution #2024-05). Mr. Davis moved for approval and Mr. Lisi seconded the motion.

The floor was opened to questions and a discussion ensued regarding Goodwin University’s management, endowment, upcoming campaigns, enrollment and matriculation metrics, and student diversity.

Upon a voice vote, the “Ayes,” “Nays” and “Abstentions” were as follows:

<u>AYES</u>	<u>NAYS</u>	<u>ABSTENTIONS</u>
Michael Angelini	None	None
Lawrence Davis		
Steve L. Elbaum		
Peter W. Lisi		
Susan Martin		
Sarah Sanders		
Mark Varholak		

Mr. Angelini recused himself from consideration of the Yale New Haven Health Issue, Series 2024A, B, & C as his employer, Yale New Haven Health, is the borrower for the transaction. Mr. Angelini left the hybrid meeting at 2:37 p.m.

**Yale New Haven Health Issue, Series 2024A, B, & C (Authorizing Resolution #2024-06)**

Mr. Jandreau reported that Yale New Haven Health is seeking approval today for up to \$706 million. The proposed transaction will finance numerous refundings and partially fund the construction of a new neuroscience tower project. Mr. Jandreau stated that Yale New Haven Health is the largest healthcare provider in the state and collaborates with the Yale School of Medicine. Mr. Jandreau reported that the proposed financing will broaden the types of care, as well as improve the cash flows and overall maturities profile, for the Institution. Mr. Jandreau provided a brief description of the improvements that Yale New Haven Health has implemented to overcome the challenges faced post COVID-19 pandemic and return the Institution to profitability.

Mr. Jandreau reported on the structure of the proposed transaction, including the put bonds and the variable demand bonds. Mr. Jandreau stated that Yale New Haven Health is a strong hospital system, and this financing will improve the quality of care as well as present an overall savings to the Institution.

Mr. Lisi requested a motion for approval of up to \$706 million for the Yale New Haven Health Issue, Series 2024A, B, & C (Resolution #2024-06). Mr. Davis moved for approval and Mr. Elbaum seconded the motion.

Upon a voice vote, the “Ayes,” “Nays” and “Abstentions” were as follows:

<u>AYES</u>	<u>NAYS</u>	<u>ABSTENTIONS</u>	<u>RECUSALS</u>
Lawrence Davis	None	None	Michael Angelini
Steven L. Elbaum			
Peter W. Lisi			
Alan Mattamana			
Sarah Sanders			
Mark Varholak			

Mr. Angelini returned to the hybrid meeting at 2:42 p.m.

**REVOLVING LOAN FUND EXPANSION AND FUNDING CYCLE NOTICE 2024A (AUTHORIZING RESOLUTION (#2024-07))**

Mr. Kurowski reported on the Revolving Loan Fund that provides financial assistance to clients in CY 2020 and non-clients in CY 2023. Mr. Kurowski stated that the fund was initially seeded with \$1 million in 2020 and has disbursed approximately \$835,000 to over 11 organizations. Mr. Kurowski reported on the recent survey that was sent to a variety of clients and grant applicants to receive feedback on program interest and community need. The survey demonstrated community need for funding opportunities up to \$200,000, with feedback from some existing CHEFA clients that \$500,000 would better meet their needs.

Mr. Kurowski outlined the proposed expansion of the Revolving Loan Fund and Funding Cycle Notice 2024A, which includes the following:

- Additional \$1 million contributed to the program;
- A maximum requested loan amount of up to \$200,000 for non-clients and \$500,000 for clients;
- An expanded loan term of up to 72 months (instead of the previous 60 months);
- A reduced interest rate of 2.99% (instead of the previous 3.75%);
- Loans would be secured by a mortgage or security agreement at CHEFA’s discretion, which can be waived for existing clients; and
- Loan funding that is subject to available funds and funding cycle has no expiration date.

Mr. Kurowski then outlined the review process for any Revolving Loan Fund application.

Mr. Lisi requested a motion for acceptance of the Revolving Loan Fund expansion as presented and the Funding Cycle Notice 2024A (Authorizing Resolution #2024-07). Ms. Martin moved for approval and Mr. Davis seconded the motion.

The floor was opened to questions and a brief discussion ensued regarding marketing of the program and funding source. Mr. Kurowski clarified that the additional \$1 million is allocated from the Board-

Designated Investments Fund, which currently holds \$6.5 million. Ms. Aguilera confirmed that the resolution will be amended to specify the funding source for the program.

Upon a voice vote, the “Ayes,” “Nays” and “Abstentions” were as follows:

<u>AYES</u>	<u>NAYS</u>	<u>ABSTENTIONS</u>
Michael Angelini	None	None
Lawrence Davis		
Steven L. Elbaum		
Peter Lisi		
Susan Martin		
Sarah Sanders		
Mark Varholak		

**COMMITTEE REPORT**

**Grant Committee**

Mr. Davis reported that the Grant Committee met earlier today to review grant applications and select award recipients for the FY 2024 Nonprofit Grant Program. Mr. Davis also reported on the re-allocation of the remaining \$350,000 from the FY 2024 Targeted-Enterprise Capital Grant cycle. The Committee approved allocating some of the funds to the current FY 2024 Nonprofit Grant cycle and the remainder to the FY 2025 Client Grant cycle.

Mr. Lisi requested a motion to accept the Grant Committee’s recommendation and approve the re-allocation of \$350,000 from the FY 2024 Targeted-Enterprise Grant cycle to the FY 2024 Nonprofit Grant cycle and any remaining funds will be allocated to the FY 2025 Client Grant cycle. Mr. Davis moved for approval and Ms. Martin seconded the motion.

Upon a voice vote, the “Ayes,” “Nays” and “Abstentions” were as follows:

<u>AYES</u>	<u>NAYS</u>	<u>ABSTENTIONS</u>
Michael Angelini	None	None
Lawrence Davis		
Steve L. Elbaum		
Peter W. Lisi		
Susan Martin		
Sarah Sanders		
Mark Varholak		

Mr. Davis reported that 112 Letters of Interests (LOIs) were received, 45 applications were completed, and 22 applications that received 3 or more “high” ratings by the Internal Review Committee (IRC) were presented to the Grant Committee for further review. Mr. Davis reported that other applications were brought forward for consideration by the Committee that had received 2 “high” ratings by the IRC.

Mr. Davis reported that the Grant Committee recommended the following organizations for grant awards:

- 4-H Education Center at Auerfarm: \$75,000
- Arts for Learning Connecticut, Inc.: \$45,000
- Big Brothers Big Sisters of Connecticut, Inc.: \$75,000
- Boys & Girls Club of Hartford: \$75,000

- COMPASS, Youth Collaborative, Inc.: \$45,000
- Connecticut Foundation for Dental Outreach: \$75,000
- CT STEM Academy: \$25,000
- Discovery Museum, Inc: \$75,000
- Family & Children’s Agency: \$75,000
- Harc, Inc.: \$45,000
- Hartford Public Library: \$75,000
- Hartford Stage Company, Inc.: \$15,000
- Higher Edge: \$10,000
- Integrated Refugee & Immigrant Services: \$75,000
- Jumpstart for Young Children, Inc.: \$40,000
- LEAP: \$75,000
- Make the Road States DBA Make the Road CT: \$75,000
- Malta House of Care, Inc.: \$75,000
- Oddfellows Playhouse: \$45,000
- Safe Futures, Inc.: \$45,000
- Silvermine Guild of Artists, Inc.: \$40,000
- Visiting Nurse Association of Ridgefield, Inc.: \$40,000
- YMCA of Northern Middlesex County, Inc.: \$49,500
- YWCA Hartford Region, Inc.: \$75,000

Mr. Davis stated that the total recommended awarded amount for the FY 2024 Nonprofit Grant Program is \$1,344,500 and that the remaining \$5,500 will be allocated to the FY 2025 Client Grant cycle.

Mr. Lisi requested a motion for acceptance of the Grant Committee’s recommendation to award the grants detailed by Mr. Davis. Mr. Elbaum moved for approval and Ms. Martin seconded the motion.

Upon a voice vote, the “Ayes,” “Nays” and “Abstentions” were as follows:

<u>AYES</u>	<u>NAYS</u>	<u>ABSTENTIONS</u>
Michael Angelini	None	None
Lawrence Davis		
Steve L. Elbaum		
Peter W. Lisi		
Susan Martin		
Sarah Sanders		
Mark Varholak		

**OTHER BUSINESS**

Mr. Lisi noted that the Board Orientation meeting for Dr. Cesarina Thompson is scheduled on May 20, 2024. Dr. Thompson was appointed by the Governor to fill the higher education vacant position on the CHEFA Board. Dr. Thompson currently serves as the Dean of Health and Education at the University of Hartford. Mr. Lisi commented that Dr. Thompson will join the next Board meeting scheduled for June 18, 2024.

**ADJOURNMENT**

There being no further business, Mr. Davis moved to adjourn the meeting and Mr. Lisi seconded the motion.

Upon a voice vote, the “Ayes,” “Nays” and “Abstentions” were as follows:

AYES

Michael Angelini  
Lawrence Davis  
Steve L. Elbaum  
Peter W. Lisi  
Susan Martin  
Sarah Sanders  
Mark Varholak

NAYS

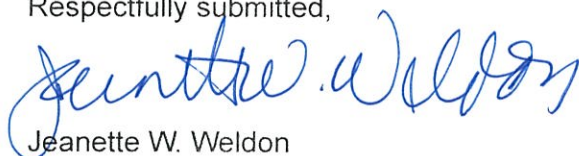
None

ABSTENTIONS

None

The hybrid meeting adjourned at 3:02 p.m.

Respectfully submitted,



Jeanette W. Weldon  
Executive Director