

STATE OF CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
Minutes of Authority Annual Board Meeting
September 17, 2024

The State of Connecticut Health and Educational Facilities Authority held an annual meeting via videoconference and in-person on Tuesday, September 17, 2024.

The hybrid annual meeting was called to order at 1:30 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
Lawrence Davis
Steve L. Elbaum
Kimberly Kennison (*Designee for Jeffrey Beckham, OPM Secretary*)¹
Sarah Sanders (*Designee for CT State Treasurer Erick Russell*)
Cesarina Thompson²

ABSENT: Susan Martin
Alan Mattamana
Mark Varholak

ALSO, PRESENT: Jeanette W. Weldon, Executive Director
Denise Aguilera, General Counsel
Rob Blake, Manager of Information Technology & Cybersecurity³
Charles Bodie, Managing Director of Finance and Operations
Dan Giungi, Sr. Government Relations and Communications Specialist
Rebecca Hrdlicka, Sr. Administrative Services Assistant
Robert Jandreau, Sr. Finance Associate
Dan Kurowski, Assistant Director
Andrew Kwashnak, Sr. Systems & Data Analyst
Carlee Levin, Sr. Accountant II⁴
JoAnne N. Mackewicz, Controller
Michael F. Morris, Managing Director, Client Services
Marlene Pagan, Transaction and Compliance Specialist⁵
Julia Pollano, Operations Reporting Analyst⁶
Kara Stuart, Manager of Administrative Services
of Connecticut Health and Educational Facilities Authority

INVITED GUESTS: Patricia Morse, President & CEO, Connecticut Baptist Homes
Keith Robertson, Managing Director, Ziegler Capital Markets

¹ Kimberly Kennison participated in the meeting via teleconference that permitted all parties to hear each other.

² Cesarina Thompson participated in the meeting via teleconference that permitted all parties to hear each other.

³ Rob Blake participated in the meeting via teleconference that permitted all parties to hear each other.

⁴ Carlee Levin participated in the meeting via teleconference that permitted all parties to hear each other.

⁵ Marlene Pagan participated in the meeting via teleconference that permitted all parties to hear each other.

⁶ 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 July 17, 2024 meeting of the Board of Directors. Mr. Davis moved to approve the minutes and Mr. Angelini 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

NAYS

None

ABSTENTIONS

Kimberly Kennison⁷
Cesarina Thompson⁸

ELECTION OF VICE CHAIRPERSON

Mr. Lisi reported that he previously spoke with Mr. Angelini about continuing to serve as Vice Chair, and Mr. Angelini has accepted the nomination.

Mr. Lisi requested a motion to accept Mr. Angelini as the Vice Chairperson of the Board of Directors. Mr. Davis moved for approval 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
Kimberly Kennison
Sarah Sanders
Cesarina Thompson

NAYS

None

ABSTENTIONS

None

EXECUTIVE DIRECTOR’S REPORT

Authority Updates

Ms. Weldon thanked Mr. Rob Blake, Mr. Andrew Kwashnak, Ms. Kara Stuart, and Ms. Rebecca Hrdlicka for their hard work and efforts in setting up the AV equipment for the Board meeting.

Ms. Weldon reported on the grant program, where the search continues for the Sr. Client Development Associate that will assume the grant program management as well as additional outreach responsibilities. Ms. Weldon reported that the grant program is now re-structured under the Client Services department and turned the floor over to Mr. Kurowski for additional grant updates.

Mr. Kurowski reported that the Client grant cycle is underway and that full applications received are being reviewed by CHEFA Officers and himself. Mr. Kurowski stated that the applications for this cycle will be presented to the Board for awarding at the November Board of Directors meeting. Mr. Kurowski also reported on the Enterprise Capital grant cycle, which is expected to be awarded in July 2025. Mr. Kurowski stated that outreach will commence starting next month to qualified

⁷ Ms. Kennison abstained from voting as she did not attend the Board of Directors meeting held on July 17, 2024.

⁸ Ms. Thompson abstained from voting as she did not attend the Board of Directors meeting held on July 17, 2024.

organizations to apply for the Enterprise Capital grant cycle. Finally, Mr. Kurowski stated that the Nonprofit grant cycle will be launching in November 2024 for approval by the Board in May 2025.

Mr. Lisi inquired about the number of applications for the Client grant cycle, which Mr. Kurowski confirmed that there are 24 full applications that were selected from a pool of approximately 48 Letter of Interests (LOIs).

Ms. Weldon reported on the upcoming marketing and outreach events, which include an exhibitor table at a childcare conference (September), a CHEFA-hosted event to showcase our client services financing programs (November), and an exhibitor table at the CT Alliance for Nonprofits Annual Conference (November).

Mr. Giungi then reported on the upcoming site visit to Freedom Reads for the grand opening of a freedom library at the Cybulski Correctional Center. A brief discussion ensued regarding the event details and CHEFA's participation.

Client Updates

Mr. Morris reported on the new financing for Fairview that will be presented later today, the 13th advance for LiveWell Alliance totaling \$4.7 million, and the 3 new loan closings under the Capital Investments Loan Program. Mr. Morris stated that the loans were with Middlesex Hospital for \$500,000, New Canaan YMCA for \$500,000, and Wallingford YMCA for \$200,000.

Mr. Morris then reported on other financial updates and activities for Connecticut State Colleges & Universities (CSCU), University of Hartford, and Bristol Hospital. Mr. Morris stated that the amended project list for the 2019 CSCU bond issue has been updated with 4 new projects but is still subject for Board of Regents approval and completion of tax diligence. Mr. Morris reported that the Vice President of Finance for the University of Hartford has left the institution, and a meeting is scheduled with the new president in November 2024. Finally, Mr. Morris outlined the concerns regarding Bristol Hospital with the release of their FY 2023 Financial Audit. A discussion ensued regarding Bristol Hospital's days cash on hand, the original bond approval covenants for Bristol Hospital, CHEFA monitoring and compliance of the situation, and the intervention and consulting efforts of Bristol Hospital.

Mr. Davis left the hybrid annual meeting at 1:53 p.m.

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.

BOARD EDUCATION: BOND ANTICIPATION NOTES ISSUANCES

Mr. Morris introduced Ms. Trina Smith of PFM. Ms. Smith gave a presentation on an Overview of Bond Anticipation Notes Issuances, which included an overview on the following topics:

- Interim Financing Options
- Bond Anticipation Notes (BANs) or Short-Term Notes
- Working Group Members and Issuance Process
- Rating Agency Scale for Short-Term Debt
- Capital Appreciation Bond
- Debt Service Comparison
- Pricing Comparison

The floor was opened to questions and a brief discussion ensued regarding credit rating and BANs. Mr. Lisi thanked Mr. Morris for coordinating the informative presentation.

PRELIMINARY STAFF MEMO

Fairview Bond Anticipation Notes Series 2024C

Mr. Jandreau reported that Fairview will be seeking up to \$8.25 million of Bond Anticipation Notes for approval at the next Board meeting. Mr. Jandreau reported that the proposed Series 2024C bond proceeds will be used to fund the remaining seed money for the Phase III Project recently approved by CHEFA with the June 2024 closing of the Series 2024A and 2024B bonds. Mr. Jandreau stated that the Series 2024A and 2024B bonds were structured as direct placements with Chelsea Groton Bank and dedicated to refinancing the existing debt as well as providing the initial seed money needed for the Phase III Project.

Mr. Jandreau then provided a brief overview on the operating performance, liquidity, days cash on hand measurements, and debt service coverage covenants. Mr. Jandreau stated that a more thorough financial analysis and subsequent projections will be provided during final approval. Mr. Jandreau also stated that the new project is expected to increase occupancy and resident revenues for Fairview to boost the concerning operating performance and provide some financial flexibility.

The floor was opened to questions and a brief discussion ensued on the bond structure. Mr. Jandreau clarified that the Bond Anticipation Notes will be structured as 3- to 4-year Capital Appreciation Bonds.

Mr. Morris introduced Mr. Keith Robertson, Managing Director of Ziegler Capital Markets. Mr. Morris stated that Mr. Robertson represents the underwriting team on the proposed transaction. Mr. Robertson reported that the organizational structure for Fairview is shifting from a healthcare-related facility to an independent living facility and that the transitional project presented is expected to be financed in September 2026. Mr. Robertson then reported on the current and projected days cash on hand.

Mr. Lisi requested that a pro forma presentation be provided during the final approval of the transaction and confirmed that the proposed transaction will be unrated.

Ms. Thompson inquired about a feasibility study confirming the proposed increase in private payers with the project. Mr. Robertson reported that Fairview has engaged a national CCRC development consultant that assessed, through market research, the demand for private payers. Mr. Robertson also reported that Fairview already possesses 40 independent living units that sold easily, and the project will add 174 new units. Finally, Mr. Robertson reported on the pre-sale structure outlined in the Bond Anticipation Notes use of proceeds to solidify demand before permanent financing is acquired.

Mr. Elbaum recused himself from consideration of the Connecticut Baptist Homes Issue, Series 2024 as his employer, Robinson + Cole, is involved in the transaction. Mr. Elbaum left the hybrid annual meeting at 2:13 p.m.

FINAL STAFF MEMO AND AUTHORIZING BOND RESOLUTION

Connecticut Baptist Homes Issue, Series 2024 (Authorizing Resolution #2024-14)

Mr. Jandreau introduced Ms. Patty Morse, president of Connecticut Baptist Homes, to address any concerns regarding the financing. Mr. Jandreau reported that Mr. Robertson is acting in the municipal advisor capacity for this transaction.

Mr. Jandreau reported that Connecticut Baptist Homes is seeking approval for up to \$28 million for the Connecticut Baptist Homes Issue, Series 2024. Mr. Jandreau reported that the proposed financing will be used to refinance the Institution’s existing debt, finance capital expenditures (e.g., the renovation of a 28-unit residential wing) and finance a debt service reserve fund. Mr. Jandreau stated that the 2024 series bonds will be sold entirely to Hamlin Capital Management and its clients, which has changed the structure from a direct placement to a limited public offering. Mr. Jandreau reported that Hamlin is taking the responsibility for conducting the proper due diligence and credit review for the proposed financing.

Mr. Jandreau reported on the credit assessment and recommendation of Connecticut Baptist Homes, including the benefits and challenges for the financing. Mr. Jandreau then reported on the expertise of Hamlin as a qualified investor and importance of the financing for Connecticut Baptist Homes.

The floor was opened to questions and a discussion ensued regarding the liquidity, occupancy covenant, and investor letter.

Mr. Lisi requested a motion for approval of up to \$28 million for the Connecticut Baptist Homes Issue, Series 2024 (Resolution #2024-14). Mr. Angelini moved for approval and Ms. Sanders 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>
Michael Angelini	None	None	Steve L. Elbaum
Peter W. Lisi			
Kimberly Kennison			
Sarah Sanders			
Cesarina Thompson			

Ms. Morse thanked Staff and the Board of Directors for the approval.

Mr. Elbaum returned to the hybrid annual meeting at 2:21 p.m.

COMMITTEE REPORT

Audit-Finance Committee

Mr. Lisi noted that the Audit-Finance Committee met earlier today to review several items, and then turned the floor over to Mr. Bodie (in absence of Ms. Martin).

Mr. Bodie provided a brief overview of the Internal Audit Risk Assessment and Schedule as presented by BerryDunn, the Independent Audit as presented by Whittlesey, and the Audit-Finance Committee Charter as presented by himself. Mr. Bodie stated that the Independent Audit is clean with no qualifications and obtained satisfactory results.

Mr. Bodie reported that a Request for Proposal (RFP) will be issued in November for an independent auditing firm. Mr. Lisi reported on the Executive Session that occurred to discuss management’s performance regarding the Independent Audit, which provided very positive feedback.

Mr. Lisi requested a motion to accept the Audit-Finance Committee’s recommendation to approve the FY 2024 Independent Audit as presented by Whittlesey. Mr. Elbaum moved for approval and Mr. Angelini 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
Steve L. Elbaum		
Peter W. Lisi		
Kimberly Kennison		
Sarah Sanders		
Cesarina Thompson		

APPOINTMENT OF CHEFA COMMUNITY DEVELOPMENT CORPORATION BOARD OF DIRECTORS (AUTHORIZING RESOLUTION #2024-15)

Mr. Kurowski presented the resolution to appoint the CHEFA Community Development Corporation (CDC) Board of Directors. Mr. Kurowski stated that CHEFA has the right to appoint members to the CHEFA CDC Board of Directors, which occurs annually. Mr. Kurowski stated that ten members are being appointed, ten of which are members of the current CHEFA Board of Directors. Mr. Kurowski noted that Ms. Sarah Sanders and Ms. Kimberly Kennison are appointed as directors to CHEFA CDC instead of as designees.

Mr. Kurowski reported on the requirement of the sole designee to present and adopt the resolution at the annual CHEFA CDC member meeting.

Mr. Lisi requested a motion for approval of the Appointment of the CHEFA Community Development Corporation Board of Directors (Authorizing Resolution #2024-15). Mr. Lisi moved for approval and Mr. Angelini 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
Steve L. Elbaum		
Peter W. Lisi		
Kimberly Kennison		
Sarah Sanders		
Cesarina Thompson		

RE-APPOINTMENT OF MEMBERS TO CHESLA BOARD OF DIRECTORS (AUTHORIZING RESOLUTION #2024-16)

Mr. Lisi reported that two members of the CHESLA Board, Ms. Julie Savino and Mr. Andrew Foster, are due for re-appointment to the CHESLA Board. Mr. Lisi reported that he spoke with both individuals and that both individuals have accepted the re-appointment for a term of 6 years. Mr. Lisi commented that the CHEFA Board appoints the members of the CHESLA Board, and that Ms. Savino serves as the Vice Chair of the CHESLA Board.

Mr. Lisi requested a motion to approve the reappointment of Ms. Julie Savino and Mr. Andrew Foster to the CHESLA Board of Directors (Authorizing Resolution #2024-16). Mr. Elbaum moved for approval and Mr. Angelini 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

Steve L. Elbaum
Peter W. Lisi
Kimberly Kennison
Sarah Sanders
Cesarina Thompson

OTHER BUSINESS

Ms. Sanders inquired about any legislative proposals for the coming legislative session, and Mr. Giungi stated that any legislative proposals will be presented to the Board closer to the legislative session.

ADJOURNMENT

There being no further business, Mr. Angelini 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
Steve L. Elbaum
Peter W. Lisi
Kimberly Kennison
Sarah Sanders
Cesarina Thompson

NAYS

None

ABSTENTIONS

None

The hybrid annual meeting adjourned at 2:30 p.m.

Respectfully submitted,



Jeanette W. Weldon
Executive Director