

Minutes of the New Jersey Health Care Facilities Financing Authority meeting held on August 22, 2013 on the fourth floor of Building #4, Station Plaza, 22 South Clinton Avenue, Trenton, NJ.

*The following **Authority Members** were in attendance:*

Brian O'Neill, Designee of the Commissioner of Health (Chairing); Greg Lovell, Designee of the Commissioner of Human Services; Dr. Munr Kazmir, Public Member; and Suzette Rodriguez, Public Member (via telephone).

*The following **Authority staff members** were in attendance:*

Mark Hopkins, Stephen Fillebrown, Ron Marmelstein, Suzanne Walton, Michael Ittleson, Carole Conover, Linda Hughes, Bill McLaughlin, Edwin Fuentes, Jessica Lucas, Taryn Jauss, and Miriam Bolger.

*The following **representatives from the State and/or the public** were in attendance:*

Cliff Rones, Deputy Attorney General; Amy Herbold, Governor's Authorities Unit; Ryan Feeney, Treasury (via telephone); Jim Foley and Robert Wood of Shore Medical Center; Kevin Quinn of McCarter & English; John Kelly of Wilentz, Goldman & Spitzer; Glenn Zirbser of Princeton HealthCare System; Frances McElhill, Esq, of Archer & Greiner; Manuel Mar and Simon Atbalion of JP Morgan; Rob Bahara of Echo Financial Products; Nick Warner of Wells Fargo; and Dr. James Kostina of David Kostina Associates.

## **CALL TO ORDER**

Executive Director Mark Hopkins called the meeting to order at 10:13 a.m. and announced that this was a regular meeting of the Authority, held in accordance with the schedule adopted at the May 23, 2013 Authority meeting. Complying with the Open Public Meetings Act and the Authority's By-laws, notice of this meeting was delivered to all newspapers with mailboxes at the Statehouse, including *The Star-Ledger* and the *Courier Post*, enough in advance to permit the publication of an announcement at least 48 hours before the meeting.

Mr. Hopkins suggested that in the absence of the Authority's Chairperson and Vice Chair, a Chair pro tem should be named. Dr. Kazmir nominated Brian O'Neill to serve as Chair pro tem for the August 22, 2013 meeting and Mr. Lovell seconded. The vote was unanimous and the motion carried.

## **AB RESOLUTION NO. NN-15**

**NOW, THEREFORE, BE IT RESOLVED**, that, in the absence of the Authority's Chairperson and Vice Chairperson, Brian O'Neill will serve as the chair pro tem for the August 22, 2013 Authority meeting.

## **1. APPROVAL OF MINUTES**

### **a. July 25, 2013 Authority Meeting**

Minutes from the Authority's July 25, 2013 meeting were presented for approval. Dr. Kazmir offered a motion to approve the minutes; Mr. Lovell seconded. The vote was unanimous and the motion carried.

## **2. TEFRA HEARING & CONTINGENT BOND SALE**

### **Shore Medical Center**

Mr. O'Neill announced that the following portion of the meeting would be considered a public hearing in connection with the proposed issuance of bonds on behalf of Shore Medical Center. This hearing is taking place in accordance with the public notice and approval requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended.

Mr. Jim Foley, Chief Financial Officer for Shore Medical Center introduced himself as well as Rob Wood, Director of Finance from Shore Medical Center, Rob Bahara of Echo Financial Products, and Kevin Quinn of McCarter & English.

Ms. Suzanne Walton noted that the Bond Resolution that was included in the Board mailing package has been revised to reflect a change in the "not to exceed maximum interest rate." The revised "not to exceed maximum interest rate has been capped at 18%" which is a tightening of the deal. In addition, the Authority has received the agreement of the purchaser and the borrower that the terms of the Continuing Covenant Agreement will be disclosed on EMMA and any amendments to that Agreement will be disclosed on EMMA within ten days of execution. A revised Bond Resolution was placed on the table. Staff has also revised the two-page Board Summary that accompanies the Bond Resolution to reflect the change.

Ms. Walton informed the Members that they were being asked to consider a contingent sale of bonds on behalf of Shore Medical Center in an aggregate principal amount not to exceed \$18,000,000 with a final maturity not to exceed July 1, 2023. The proceeds of the Series 2013 Bonds, together with other funds, will be used by the hospital to provide funds to currently refund and redeem the Authority's outstanding Shore Medical Center Series 2003 Variable Rate Revenue Bonds, and pay the related costs of issuance of the Series 2013 Bonds.

The Series 2013 Bonds will be issued and sold on a direct purchase basis to Citizens Bank of Pennsylvania. The bonds will be secured by a Note issued under their existing MTI. The interest rate for the Series 2013 Bonds will be a variable rate and will be equal to 70% of the one-month LIBOR plus 2.45%. The initial interest rate will be set at closing and is currently estimated at 1.85%. Thereafter, the interest rate for the Series 2013 Bonds will be reset monthly. Based upon the most recent numbers run prepared by their Financial Advisor, Echo Financial Products, Shore Memorial will achieve net present value savings of \$1.7 million or 8.8% of the Refunded Bonds. In addition, the Bank will be providing the Authority with a traveling investor letter on the date of closing. As is customary on Direct Bank Placements, the Borrower will enter into a Continuing Covenant Agreement with the Bank, which outlines the terms and conditions upon which the Bank is willing to purchase the Bonds.

In accordance with Authority policy, management was required to submit financial projections. The projections covering the years 2013 through 2014 were included in the mailing to Members and have been reviewed by Staff.

Ms. Walton then introduced John Kelly of Wilentz, Goldman & Spitzer P.A., bond counsel, to present the Bond Resolution.

### **Bond Resolution**

Mr. Kelly informed Members that the Bond Resolution authorizes the issuance of the Series 2013 Bonds in an aggregate principal amount not in excess of \$18,000,000, at a floating interest rate not to exceed 3.5% per annum and, thereafter, the Series 2013 Bonds shall bear interest at the floating interest rate as shall be determined in accordance with the Trust Agreement, provided, however, that in no event shall the interest rate on the Series 2013 Bonds exceed 18%. The Series 2013 Bonds will have a final maturity no later than July 1, 2023 and the redemption price for any Series 2013 Bond shall not exceed 105%. The Series 2013 Bonds will be secured by payments made by the Obligated Group under its Loan Agreement, as evidenced and secured by a Note issued pursuant to the provisions of a Master Trust Indenture and amounts on deposit in certain funds held by the Bond Trustee pursuant to a Trust Agreement. Additional security will include a gross receipts pledge of the Obligated Group together with a mortgage.

The Bond Resolution approves the form of, and authorizes the execution of, a Direct Bond Purchase Agreement with Citizens Bank in its capacity as purchaser of the Series 2013 Bonds prior to the close of business on November 20, 2013. In addition, the Bond Resolution approves the form of, and authorizes the execution and delivery of, the Series 2013 Bonds, the Trust Agreement, the Loan Agreement and the Calculation Agent Agreement by and among the Bank, the Authority and the Borrower and the Bond Trustee which provides that the Bank will perform the functions of the Calculation Agent under the Trust Agreement.

Finally, the Bond Resolution appoints The Bank of New York Mellon as the Bond Trustee, Bond Registrar and Paying Agent for the Series 2013 Bonds and authorizes the Authorized Officers of the Authority to execute and deliver such other documents and to take such other action as may be necessary or appropriate to effectuate the execution and delivery of the Direct Bond Purchase Contract, the Trust Agreement, the Loan Agreement and the Calculation Agent Agreement, the Letter of Instructions from the Authority to the Series 2013 Trustee, and the completion of the refunding and the issuance and sale of the Series 2013 Bonds.

In response to a question from Mr. Lovell about proceeds being used to expand resources, Mr. Foley noted that the proceeds would strictly be used for refunding and cost of issuance.

Mr. O'Neill asked if there were any questions or comments from the public. Hearing none, Mr. O'Neill asked the Members' pleasure with respect to the adoption of the Bond Resolution on behalf of Shore Medical Center. Dr. Kazmir made a motion to approve the adoption of the Bond Resolution. Mr. Lovell seconded. The vote was unanimous and the motion carried.

## AB RESOLUTION NO. NN-16

**NOW, THEREFORE, BE IT RESOLVED**, that the Authority hereby approves the Series Resolution entitled, “A RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY REFUNDING BONDS, SHORE MEMORIAL HEALTH CARE SYSTEM OBLIGATED GROUP ISSUE, SERIES 2013.”

*(attached)*

Mr. Foley thanked the Authority and Staff and noted they had worked through a lot of issues and Shore had an excellent experience. He added that the Authority’s presence is very helpful to the health care community of New Jersey.

Mr. O’Neill then closed the public hearing in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended.

### **3. AMENDMENT TO LOAN AGREEMENTS Princeton HealthCare System, Inc.**

Mr. Glenn Zirbser, Senior VP and Chief Financial Officer from Princeton HealthCare System introduced himself, Nick Warren of Wells Fargo and Frances McElhill, Esq, from Archer & Greiner.

Ms. Walton informed the Members that currently, the Authority has \$230 million of Series 2010 Bonds outstanding on behalf of the Princeton Healthcare System Obligated Group. The bonds are comprised of three series, the Series 2010B through D Bonds, and are privately placed with TD Bank, Wells Fargo and JPMorgan Bank respectively. PHCS agreed pursuant to the Bank Agreements, to comply with all covenants set forth in the Authority’s Bond Documents, including the Loan Agreements between the Authority and Princeton relating to the Obligated Group’s Series 2010B, 2010C and 2010D Bonds.

The Authority’s Loan Agreement requires the Obligated Group to maintain a Debt Service Coverage Ratio of at least 1.25, calculated quarterly as the ratio of Income Available for Debt Service to the Maximum Annual Debt Service Requirements on all Long-Term Indebtedness. Princeton has informed the Authority and the respective banks that the DSCR for the periods ended December 31, 2012 and March 31, 2013, was below 1.25. Pursuant to the Authority’s Loan Agreement, if the ratio falls below 1.25, the Authority may require PHCS to hire a consultant to review the Obligated Group’s operations and performance and make recommendations for improving the Debt Service Coverage Ratio to the required level of 1.25.

In anticipation of amendments to the Authority Loan Agreements and following meetings between PHCS and the Authority, the Authority has not required PHCS to hire a consultant.

PHCS is seeking the Authority's approval to amend provisions in the Authority's Loan Agreements to provide the Debt Service Coverage Ratio shall no longer be based upon the Maximum Annual Debt Service requirements and shall instead be calculated as the ratio of Income Available for Debt Service to Annual Debt Service Requirements of the Obligated Group which is consistent with how the ratio is calculated in the respective Bank documents. In addition, the amendment would require the Debt Service Coverage Ratio be calculated on a trailing 12-month basis.

In compliance with the respective bank documents, PHCS is required, and has received, the consent of the banks to enter into an amendment to the Loan Agreement. The banks have also waived any rights they may have under the Authority's Loan Agreement relating to the hiring of a consultant in connection with the Debt Service Coverage Ratio for the quarterly periods ending December 31, 2012, March 31, 2013 or any subsequent quarterly testing period prior to the effective date of the proposed amendment to the Loan Agreements.

Therefore, Staff requested the Members' consideration of a resolution which authorizes an Authorized Officer of the Authority to execute an Amendment to the Loan Agreements associated with the Authority's Revenue Bonds, Princeton Healthcare System Issue, Series 2010B, Series 2010C and Series 2010D and to make certain modifications and changes to the covenants contained in the Loan Agreements between the Authority and the institution.

Mr. O'Neill asked the Members' pleasure with respect to the resolution authorizing the amendment to the Princeton Healthcare System loan agreements. Dr. Kazmir offered a motion to adopt the resolution; Mr. Lovell seconded. The vote was unanimous and the motion carried.

#### **AB RESOLUTION NO. NN-17**

**NOW, THEREFORE, BE IT RESOLVED**, that the Authority hereby adopts the resolution entitled "RESOLUTION AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF AN AMENDMENT NO. 1 TO LOAN AGREEMENTS ASSOCIATED WITH THE AUTHORITY'S REVENUE BONDS, PRINCETON HEALTHCARE SYSTEM ISSUE, SERIES 2010B, SERIES 2010C AND SERIES 2010D, FOR THE PRINCETON HEALTHCARE SYSTEM, A NEW JERSEY NONPROFIT CORPORATION; AND AUTHORIZING OTHER MATTERS IN CONNECTION THEREWITH."

*(attached)*

- 4. CONSULTANT FOR EARLY WARNING SYSTEM, STABILIZATION FUND AND CHARITY CARE**
  - a. Extension of Consultant's Contract**

Mr. Mark Hopkins informed the Members that last year, the Department of Health requested that the New Jersey Health Care Facilities Financing Authority expand its role under the

Department's existing Memorandum of Agreement with the Authority for Quarterly Financial Database Maintenance and Data Analysis. The new duties included assessing the financial conditions of hospitals and other health care organizations; providing consultation to the Department on policy, capacity, consolidation and change in ownership of health care facilities for purposes of reviewing Certificate of Need applications and other health care planning decisions; and providing support for the Department's Early Warning System, Stabilization Fund and Charity Care Programs.

In order to meet these additional duties, after a Request for Proposals was advertised and a competitive process was conducted, the Authority engaged Joseph Lario as a consultant on a part-time basis, pursuant to a "Contract for Professional Consulting Services." The consultant averages approximately 25 to 28 hours per week. The fee for his services is \$600 per day not to exceed \$9,000 per month, plus travel, meal and lodging expenses. The term of the engagement was for one year with the possibility of up to four six-month extensions. The initial term of the engagement is scheduled to expire on September 14, 2013. The Department of Health has asked the Authority to continue providing the services, which necessitated the consultant, through December 31, 2013.

Therefore, the Authority Staff requested that the Authority Members approve the "Amendment Extending the Contract for Professional Services" which was provided to Authority Members in their meeting packets. The Amendment will extend the "Contract for Professional Services" through December 31, 2013. All other terms of the original contract will remain the same. Mr. Hopkins also asked Members to approve an amendment to the 2013 Budget for a \$37,500 increase to reflect up to \$31,500 in additional consultant fees and up to \$6,000 additional travel, meal and lodging expenses resulting from the extension of the consulting contract through December 31, 2013. This expense line appears below the bottom line of the budget because it will ultimately be offset by reimbursement from the Department of Health.

Dr. Kazmir offered a motion to approve the Amendment Extending the Contract for Professional Services; Mr. Lovell seconded. The vote was unanimous and the motion carried.

#### **AB RESOLUTION NO. NN-18**

**NOW, THEREFORE, BE IT RESOLVED**, that the Authority hereby adopts the Amendment entitled "Amendment Extending the Contract for Professional Services."

*(attached)*

#### **b. Amendment to Authority's Budget**

Mr. O'Neill noted that based on the action the Authority just took to approve the extension of the consultant's contract, the Authority budget will have to be amended accordingly.

Dr. Kazmir offered a motion to amend the Consulting Services line item of the 2013 Authority budget by \$37,500; Mr. Lovell seconded. The vote was unanimous and the motion carried.

## AB RESOLUTION NO. NN-19

**NOW, THEREFORE, BE IT RESOLVED**, that the Authority hereby amends the 2013 Authority budget in the amount of \$37,500 in the Consulting Services line item.

### **5. APPROVAL OF MEMORANDUM OF AGREEMENT FOR ARCHITECTURAL REVIEW SERVICES**

Mr. Hopkins informed the Members that since 1997 the Authority has provided Architectural Review Services to the Department of Health pursuant to a Memorandum of Agreement (MOA), with the latest MOA renewal occurring in September 2010. Under the current MOA, the Authority provides the following services to the Department one day per week:

- Review of construction and renovation projects submitted by health care facilities to determine compliance with physical plant standards, patient flow issues, and licensing requirements, including compliance with the American Institute of Architect's Guidelines.
- Review and processing requests for waivers from licensing requirements submitted by health care facilities and provide recommendations with associated rationale in cases where it was determined that waivers are warranted.
- Participate as a team member in functional review meetings held at the Department's office.

Authority Staff Member Bernie Miller, who is an architect, is the person who has performed the duties of this MOA on behalf of the Authority.

The existing MOA expired on June 30, 2013. A proposed new MOA was distributed to the Authority Members with their meeting packets. The proposed new MOA is essentially the same as the previous agreement, with one major exception: due to the increased workload at the Department, the new MOA allows services to be provided up to a maximum of two business days per week rather than one. The form of the agreement is similar to that of the Authority's MOAs with the Department for collection and review of financial data and for the Health Information Technology Project Manager. The proposed new MOA would be effective for the period July 1, 2013 through June 30, 2016 and specifies the amount that the Department will reimburse the Authority for the costs of the personnel provided.

The Office of the Attorney General has no objection to the Members' consideration of this agreement. Therefore, Staff asked for approval of the MOA in substantially final form with such changes as the Office of the Attorney General may advise.

In response to a question from Mr. Lovell, Mr. Hopkins confirmed that the role of Mr. Miller will remain the same, only the workload has changed. Mr. Hopkins added that at this time, the workload at the Authority is less while the Department has more. Should that change, the time can be flexed back to the Authority on a month's notice according to the MOA.

Dr. Kazmir offered a motion to approve the Memorandum of Agreement with the Department of Health for Architectural Review Services; Mr. Lovell seconded. The vote was unanimous and the motion carried.

#### **AB RESOLUTION NO. NN-20**

**NOW, THEREFORE, BE IT RESOLVED**, that the Authority hereby approves the Memorandum of Agreement with the Department of Health, Division of Health Facilities Evaluation and Licensing for Architectural Review Services

*(attached)*

#### **6. APPROVAL FOR MEMBERS AND STAFF TO ATTEND THE BOND BUYER & NAHEFFA CONFERENCES**

Mr. Hopkins informed the Members that this year, two educational conferences on healthcare and higher education bonds will be held in close proximity to New Jersey, which is very rare and this type of education is not available very many places. The fall conference of the National Association of Health and Educational Facilities Finance Authorities (NAHEFFA) will be held in Philadelphia from October 7 through October 9. The Bond Buyer's Healthcare & Higher Education Super Conference will be held in New York City from October 27 through October 29. The fee for attendees for the NAHEFFA Conference is \$395 per person. Mr. Hopkins is working with NAHEFFA to try to negotiate a discount for sending a large number of people, and has received positive feedback thus far. The fee for attendees at The Bond Buyer's conference is \$95 per person for issuers, if purchased by August 30. After that, it increases to \$145 per person. Because it is difficult to get approval to travel overnight, the Authority would like to take the opportunity these local conferences provide to have as many Authority Members and Staff as possible attend the conferences. Therefore, Mr. Hopkins requested the Authority Members' approval to send up to 15 people to each conference at a cost of up to \$7,350 plus transportation expenses, not to exceed \$850. No amendment to the budget is necessary because sufficient funds for this purpose were included in the 2013 budget. A draft agenda for the NAHEFFA conference and an agenda for The Bond Buyer's conference were provided to Members.

Mr. Lovell offered a motion to approve up to 15 Authority Members and Staff attending both the Bond Buyer and NAHEFFA conferences; Dr. Kazmir seconded. The vote was unanimous and the motion carried.

#### **AB RESOLUTION NO. NN-21**

**NOW, THEREFORE, BE IT RESOLVED**, that the Authority hereby approves the attendance of up to 15 Authority Members and Staff at the Bond Buyer's Healthcare & Higher Education Super Conference and the National Association of Health and Educational Facilities Finance Authorities (NAHEFFA) fall conference.



## 7. APPROVAL OF EXPENSES

Mr. O'Neill referenced a summary of Authority expenses and invoices. Dr. Kazmir offered a motion to approve the bills and to authorize their payment; Mr. Lovell seconded. The vote was unanimous and the motion carried.

### AB RESOLUTION NO. NN-22

**WHEREAS**, the members of the Authority have reviewed the memoranda dated August 14, 2013, summarizing expenses incurred by the Authority in connection with Trustee/Escrow Agent/Paying Agent fees and general operating expenses in the amounts of \$67,129.35 and \$6,692.69 respectively, and have found such expenses to be appropriate;

**NOW, THEREFORE, BE IT RESOLVED**, that the members of the Authority hereby approve all expenses as submitted, and authorize the execution of checks representing the payment thereof.

## 8. STAFF REPORTS

Mr. O'Neill thanked Staff for the Project Development Summary, Cash Flow Statement and Legislative Advisory reports.

Mr. Hopkins then presented his Executive Director's report, noting the following items to Members:

1. Hospital & Other News
  - a. The Princeton planning board has approved the revised plans of AvalonBay to build a 280-unit residential housing project on the former site of University Medical Center at Princeton. AvalonBay's previous plan was denied. The revised plans addressed many of the concerns expressed in the denial of the previous plan. Demolition of the former hospital building is scheduled to begin before the end of the year. This is good news for Princeton HealthCare which would like the income from the sale of the property.
  - b. Ridgewood residents continue to question the benefits of Valley Hospital's expansion plans at a recent Ridgewood Planning Board meeting. Last night's planning board meeting had to be postponed as there were so many people that attended, they could not be accommodated.
  - c. Hackettstown Regional Medical Center is seeking a partner. According to press reports, Ascension Healthcare Network, Atlantic Health System and Hackensack University Health Network have all expressed interest.
  - e. There continues to be coverage in The Bond Buyer of the "Don't Mess with Our Bonds Coalition," which opposes proposals to eliminate or cap the tax exemption on municipal bonds. The Authority is following this closely as it is important to its borrowers to continue to have tax-exempt status available on bonds to save money on interest rates.

f. Municipal bond issuance in the Northeast dropped more than 25% in the first half of 2013, compared to the first half of 2012, despite a 9.2% increase in the first quarter of 2013 compared to the first quarter of 2012. New Jersey, nevertheless, had an increase of 77% over the first half of 2012. The drop in the Northeast is predominantly due to lower volumes in New York, Puerto Rico and Washington, D.C.

g. The IRS will be issuing an updated Internal Revenue Manual this fall, which will include a section on post-issuance compliance procedures. The Authority is paying careful attention to this issue and, as Members were previously informed, Authority Staff Member Taryn Jauss has taken on the duties related to tax compliance.

h. For the first time, the SEC has charged an issuer, underwriter and one of its officials with falsely claiming in bond documents that the issuer was meeting its secondary market disclosure requirements under the SEC's Rule 15c2-12. The underwriter was City Securities Corp. and the issuer was the West Clark Community Schools in Indiana. Without admitting guilt, City Securities paid nearly \$580,000 to settle this claim, among others. West Clark Community Schools agreed to cease and desist from further violations and take remedial actions. City Securities also agreed to that condition as well.

i. Two-thirds of U.S. hospitals will be hit with penalties this year under the Affordable Care Act's second year of reducing Medicare payments to hospitals that have higher readmission rates for certain diagnoses within thirty days of discharge. In this second year, the readmission fine can be up to 2% of the hospital's Medicare payments, depending on the level of inappropriate readmission rates. In the first year of the program, the fine was limited to 1%. In the third year, the fine can go up to 3%. All but five New Jersey hospitals will be hit with the penalty this year, to varying degrees.

j. The following ratings actions were taken in the last month:

(i) Moody's affirmed the Baa2 rating for \$111 million of bonds issued by the Authority on behalf of Holy Name Medical Center.

(ii) Moody's has placed the Ba2 rating on approximately \$80 million in Authority bonds issued on behalf of Somerset Medical Center on review for a possible downgrade citing concern over a condition added to a letter of credit reimbursement agreement stating that Somerset must enter into a letter of intent with a partner by August 31, 2013 or be subject to possible acceleration on \$21 million of variable rate bonds issued by the Authority. Somerset is currently in negotiations with Robert Wood Johnson University Hospital for a merger.

k. Other articles were provided regarding changes in the health care industry being spurred on by the Affordable Care Act, including: (i) concerns that larger hospital systems resulting from the mergers encouraged by the ACA will result in higher medical bills, (ii) uneven access for some providers to clinical information from health information exchanges; (iii) reduced readmissions resulting from Hackensack University Medical Center's Accountable Care Organization; and (iv) the boost to the Accountable Care Organization model in New Jersey from the ACO partnership between Barnabas Health System and Horizon Blue Cross Blue Shield of New Jersey, the State's largest health care system and its largest insurer, respectively.

l. The CHAPA and Certificate of Need regulatory processes are continuing for Prime Healthcare Services acquisition of St. Mary's and St. Michael's. Other than that, there is nothing further to report on those two hospital transactions.

2. Authority News

a. Articles were also provided on the IRS's "proposed adverse determination" that the bonds issued by the Authority on behalf of Deborah Heart and Lung Association in 1993 and Jersey Shore Medical Center, now part of Meridian, in 1994 are taxable. Mr. Hopkins informed Members that additional information regarding this subject would be discussed in Executive Session.

**9. EXECUTIVE SESSION**

At this point, Mr. O'Neill asked the Members to meet in Executive Session to discuss contractual negotiations and receive legal advice regarding Deborah Hospital and Meridian Health. As permitted by the Open Public Meetings Act and the Authority's By-laws, Dr. Kazmir moved to meet in Executive Session. Mr. Lovell seconded. The vote was unanimous and the motion carried. Mr. O'Neill noted that the results of this discussion will be made public when the need for confidentiality no longer exists.

**AB RESOLUTION NO. NN-23**

**NOW, THEREFORE, BE IT RESOLVED**, that, as permitted by the Open Public Meetings Act and the Authority's By-laws, the Authority meet in Executive Session to discuss contractual negotiations and receive legal advice regarding Deborah Hospital and Meridian Health,

**BE IT FURTHER RESOLVED**, that the results of discussions may be made known at such time as the need for confidentiality no longer exists.

Public session reconvened. No action was taken during Executive Session.

As there was no further business to be addressed, following a motion by Dr. Kazmir and a second by Mr. Lovell, the Members voted unanimously to adjourn the meeting at 11:12 a.m.

I HEREBY CERTIFY THAT THE FOREGOING IS A TRUE COPY OF MINUTES OF THE NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY MEETING HELD AUGUST 22, 2013.

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Carole A. Conover, Assistant Secretary