

Oregon Facilities Authority
Minutes of Meeting of
April 13, 2020

A duly called meeting of the Oregon Facilities Authority ("OFA" or the "Authority") was held on April 13, 2020, commencing at approximately 12:00 p.m. The physical location of the meeting was at 888 SW Fifth Avenue, Suite 1600, Portland, Oregon. Many participants in the meeting was held by Zoom teleconference.

Authority Members participating in the meeting (via Zoom, unless otherwise indicated) were: Chair Eric Johansen (in person), Vice-Chair Kevin McAuliffe, and Authority Members Sean Hubert, Beth deHamel, Roy Kim, and Andrea Trenner.

Participating in the meeting to assist the Authority (via Zoom, unless otherwise indicated) were: Gwendolyn Griffith, Executive Director of the Authority (in person); Duncan Brown and Fred Eoff of PFM, Financial Advisor to the Authority; Carol McCoog of Hawkins Delafield & Wood LLP, SNAP Loan and Special Bond Counsel, Michael Schrader, Doug Goe, and Charles Cardall of Orrick, Herrington and Sutcliffe LLP, Lead Bond Counsel; Lee Helgerson and Laura Worth of the Office of the State Treasurer ("OST"); and Assistant Attorney General Cynthia Byrnes, Oregon Department of Justice ("DOJ").

Chair Eric Johansen called the meeting to order and presented the notice of meeting.

Consideration of Final Approval for the application by Samaritan Health Services for an OFA Traditional Bond in an amount not to exceed \$95,150,000.

Mr. Dan Smith, SVP & CFO, Mr. Tyler Jacobsen, VP and General Counsel, and Ms. Nancy Fry Corporate Controller, appeared on behalf of the Applicant. Mr. Duncan Brown of the financial advisory firm to the Applicant, PFM Financial Advisors, and Mr. Steve Proeschel and Mr. Keith Kleven of the underwriting firm, Piper Sandler & Co., appeared to assist with the presentation.

Mr. Smith announced Samaritan received affirmation of their BBB+ rating by S&P Global Ratings. He also described the decision to increase the par-amount from \$91,150,000 to \$95,150,000 to include a debt service reserve fund.

The Financial Advisor's report is included in the materials. Mr. Eoff summarized the plan of finance and noted its consistency with the presentation made by the Applicant. Mr. Eoff recommended the transaction for preliminary approval.

Bond Counsel's report is included in the materials. Mr. Goe reported that the financing team has been hard at work on the transaction. He noted that the Applicant is seeking Final Approval today, but that the sale date will be postponed until the bonds are callable in October. Mr. Goe recommended the transaction for final approval.

The Executive Director's report is included in the materials. Ms. Griffith reported a TEFRA hearing was held on April 10 and no comments were received. Ms. Griffith recommended the transaction for final approval.

After discussion, Mr. McAuliffe moved that the Authority adopt Resolution 2020-6, granting Final Approval to Samaritan Health Services, Inc. for an OFA Traditional Bond in an amount not to exceed \$95,150,000, and recommending that the State Treasurer consider issuing the Bonds. Mr. Kim seconded the motion. Resolution 2020-6 was unanimously approved.

Consideration of Conditional Final Approval for the application by Oregon Museum of Science and Industry for an OFA Traditional Bond in an amount not to exceed \$8,000,000.

Mr. Tim Mack, Vice President-Finance & Analysis, appeared on behalf of the Applicant. Mr. Marc and Ms. Wendy Yuvienco of the purchasing bank, Wells Fargo Bank, N.A., appeared to assist with the presentation.

Mr. Mack presented a summary of the use of bonds which includes refinancing of the 2015 OFA Bonds, and borrowing funds for replacement of the Applicant's roof. Mr. Mack discussed how the Museum is coping during the pandemic, including modeling multiple scenarios for re-opening when the stay-at-home order is lifted. Mr. Mack reported cash on hand reserves would support the Museum through these uncertain times.

Mr. Stasiowski reviewed the plan of finance, reporting the transaction will be a private placement with Wells Fargo Bank with a 10-year fixed rate and 20-year amortization.

The Financial Advisor's report is included in the materials. Mr. Brown reported that the transaction presents little to no changes from the original application. Mr. Brown recommended the transaction for conditional final approval.

Bond Counsel's report is included in the materials. Mr. Schrader reported that the tax review was not yet complete, as confirmation was required that the cafe and store portions of the Museum would not exceed the private use limitation. Mr. Schrader explained that because the Museum is closed during the pandemic, the space has not yet been measured, but Mr. Mack was confident the square footage of those spaces are well below private use limitations. Mr. Schrader recommended the transaction for conditional final approval once the conditions have been satisfied.

Ms. Griffith explained she has a conflict of interest because the law firm in which she is a partner provides legal representation to the Bank. As a result, she did not participate in the discussion or provide any recommendation relating to this transaction.

Mr. Lee Helgerson and Ms. Laura Worth, on behalf of OST, recommended the transaction for conditional final approval.

After discussion, Mr. McAuliffe moved that the Authority adopt Resolution 2020-7, granting Conditional Final Approval to Oregon Museum of Science and Industry for an OFA Traditional Bond in an amount not to exceed \$8,000,000, and recommending that the State Treasurer consider issuing the Bonds when the conditions have been satisfied. Mr. Hubert seconded the motion. Resolution 2020-7 was unanimously approved.

Approval of Minutes

The Minutes of the meeting of March 9, 2020, were unanimously approved.

Executive Director Reports

Ms. Griffith directed the Board's attention to the Bonding Report and General Report, both of which were included with the materials. Ms. Griffith led a discussion on OFA's response to COVID-19 and proposed that OFA subsidize the cost of the first two hours of SNAP Loan Counsel's work on each request for SNAP Loan modifications. Ms. Cynthia Byrnes, Assistant Attorney General, asked that the proposal be conditioned upon her analysis that this was permitted under OFA's statute and administrative rules.

After discussion, Mr. McAuliffe moved that the Authority use OFA funds to pay SNAP Loan Counsel for up to two hours of work on SNAP Loan modifications, subject to approval by Ms. Byrnes. Ms. deHamel seconded the motion. The motion was unanimously approved.

Mr. Kim had just left the meeting and did not participate in this vote.

The Chair asked for public comment. There was none.

There being no further business to come before the Authority, the meeting was adjourned at approximately 2:45 p.m.

/s/ Eric H. Johansen

Eric H. Johansen, Chair

/s/ Gwendolyn Griffith

Gwendolyn Griffith, Executive Director

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