

STATE OF TEXAS
COUNTIES OF POTTER
AND RANDALL
CITY OF AMARILLO

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On the 11th day of October 2012, the Amarillo Health Facilities Corporation convened in work session at 11:30 A.M. in Room 305, on the third floor of City Hall, 509 East 7th Avenue, Amarillo, Texas, with the following members present:

VOTING MEMBERS	PRESENT
Eddie Boyd, President	Yes
Dr. Anthony V. Bass, Vice-President	Yes
Dennis Clouch, Secretary	Yes
Cole Young, Asst. Secretary	No
Larry Day, Treasurer	Yes
Charles E. Warford	Yes
Murielle Barnes	Yes

STAFF MEMBERS PRESENT:

Dean Frigo – Asst. City Manager for Financial Services
Andrea Rains - Recording Secretary

Also Present: Robert Dransfield – Bond Counsel, Fulbright & Jaworski, LLP and Bob Williams – CEO, Baptist St. Anthony’s Health System (BSA)

WORK SESSION:

Discussion of Matters Relating to the Corporation’s Hospital Revenue Bonds (Baptist St. Anthony’s Hospital Corporation Project) Series 1998, Including a Closing Agreement with Respect to a Portion of the Bonds and Other Matters Incident and Related Thereto.

Mr. Boyd stated that the Corporation’s biggest concern was to make sure that the Corporation was acting *in accordance* with the Corporation’s mission, which was for the betterment of healthcare and healthcare-related facilities in Amarillo. Mr. Bass added that the Corporation’s charge was to facilitate as a conduit better healthcare facilities, which was what the 1998 bonds were for. He questioned Mr. Williams how defeasing those bonds would help improve healthcare in Amarillo. Mr. Williams explained that healthcare improvement was demonstrated with the initial approval and issuance of the bonds in 1998. He further explained that the criteria for those bonds had been met and that BSA would no longer be able to meet the criteria for those bonds in their current status because BSA would no longer be a 501.C.3 organization. Mr. Williams stated that the real issue would be minimizing the impact to the individual bondholder because the transaction with BSA would be moving forward and would need to get the bonds set up in a way so that the IRS would not penalize the individual bondholder as opposed to allowing BSA or the purchaser to stand in front of the bondholder with an agreement from the IRS to defease these bonds. He added that if there were any debt, it would be incurred by the buyer. Mr. Williams stated that no public debt would be issued with this transaction. Mr. Dransfield explained that the only reason the Corporation is having to defease the bonds as opposed to redeeming them and paying them off early is because the bonds cannot be paid early.

REGULAR MEETING ITEMS:

ITEM 1: Call to order

Mr. Boyd established a quorum and welcomed everyone in attendance. He called the meeting to order at 12:17 p.m.

ITEM 2: Approval of Minutes from October 4, 2012 Meeting

Mr. Boyd presented the minutes from the last Amarillo Health Facilities Corporation meeting held October 4, 2012. Dr. Bass stated that he would like it noted in the minutes that the Board did not receive the documentation prepared by the Bond Counsel for the Internal Revenue Service prior to the meeting. Motion was made by Mr. Day, seconded by Mr. Warford and unanimously carried to approve the minutes with Dr. Bass’ addition.

ITEM 3: Discussion and Consideration of Matters Relating to the Corporation's Hospital Revenue Bonds (Baptist St. Anthony's Hospital Corporation Project) Series 1998, Including a Closing Agreement with Respect to a Portion of the Bonds and Other Matters Incident and Related Thereto

Mr. Day motioned to authorize and direct the President of the Board of Directors, the Treasurer, and any other officer of the Corporation to take any and all action required in connection with the discharge of the Corporation's hospital revenue bonds (Baptist St. Anthony's Hospital Corporation Project) Series 1998, including the entering into of a closing agreement with the Internal Revenue Service, the redemption and defeasance of the bonds and the execution and delivery of all documents required to effect such discharge, provided that all costs incurred by the Corporation in connection with such action shall be paid by Baptist St. Anthony's Hospital Corporation. The motion was seconded by Ms. Barnes and carried unanimously.

ITEM 4: Adjournment

There being no further items before the Corporation, the meeting adjourned 12:22 p.m. All remarks are recorded and are on file in the Finance Department.

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Eddie Boyd, President

ATTEST:

Dennis Clouch, Secretary