

**Minutes of the Open Session of the Joint Meeting
of the Finance and Investment Committees
Monday, January 30, 2017
El Camino Hospital | Medical Staff Conference Room
2500 Grant Road, Mountain View, CA 94040**

Finance Committee

Members Present

Dennis Chiu, Chair
Joseph Chow
Boyd Faust
William Hobbs
Richard Juelis
John Zoglin

Investment Committee

Members Present

John Zoglin, Chair
Nicola Boone
John Conover
Brooks Nelson
Gary Kalbach

Members Absent

Jeffrey Davis, MD

Agenda Item	Comments/Discussion	Approvals/Action
1. CALL TO ORDER/ ROLL CALL	The joint meeting of the Finance Committee and Investment Committee of El Camino Hospital was called to order at 5:30pm by Investment Committee Chair Zoglin. A silent roll call was taken. Committee member Davis was absent. Committee member Boone arrived at 5:35 pm and Committee member Juelis arrived at 5:40 pm. All other Committee members were present at roll call.	
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Investment Committee Chair Zoglin asked if any Committee members may have a conflict of interest with any of the items on the agenda. No conflicts were noted.	
3. PUBLIC COMMUNICATION	None.	
4. INVESTMENT OVERVIEW	<p>Iftikhar Hussain, CFO, reported that the planned 2016 Revenue Bond transaction did not close, but that interest rates are still low and the construction projects on the Mountain View campus are good candidates for revenue bond financing. He explained that if ECH uses cash for the projects it would decrease cash on hand to 250 days, but with financing ECH will remain at 400 days cash on hand.</p> <p>Chad Kenan of Citigroup reported that interest rates are still historically low and have been higher 90% of the time over the last 30 years. He explained that there was extreme volatility in the market after the November 2016 Presidential election, but rates have started to normalize and are presently .5% higher than the 2016 Bond pricing in October. Mr. Kenan reviewed the financing eligible projects (BHS building, IMOB, North Parking Garage and Women's Hospital) and explained that the hospital has the option to exclude and go back to the market at a later date for the Women's Hospital project.</p> <p>Mr. Kenan and Jennifer Brown of Ponder and Co. recommended going forward with refunding of the El Camino Healthcare District's General Obligation Bonds as long as there is 5% present value savings. The savings are currently 7% vs 17% at the 2016 pricing.</p> <p>The Committee members, consultants and staff discussed the next steps, including seeking Hospital Board approval on March 8th and</p>	

	<p>District Board approval on March 14th The Committee members commented that the Finance Committee and the Board had already approved the 2016 Plan of Finance, questioned whether further Board approval was required, and suggested that staff consider going to market as quickly as possible if further Board approval is not necessary. Mr. Hussain and Mr. Kenan agreed to convene the working group as quickly as possible and confer with counsel with regards to necessary Board approvals.</p> <p>In response to questions from Committee members, Mr. Hussain reported that neither capital project or spending plans have changed over the last year.</p>	
5. ADJOURNMENT	<p>Motion: To adjourn at 6:07 pm.</p> <p>Movant: Kalbach</p> <p>Second: Nelson</p> <p>Ayes: Chow, Chiu, Faust, Juelis, Zoglin, Kalbach, Boone, Nelson, Hobbs</p> <p>Noes: None</p> <p>Abstentions: None</p> <p>Absent: Davis</p> <p>Recused: None</p>	<p><i>Meeting adjourned at 6:07pm.</i></p>

Attest as to the approval of the foregoing minutes by the Finance Committee and the Investment Committee of El Camino Hospital:



Dennis Chiu, JD
Chair, Finance Committee



John Zoglin
Chair, Investment Committee