Rhode Island Health And Educational Building Corporation

1966-2011

Financing Facilities for a Better Future

MEETING OF THE BOARD OF DIRECTORS

JANUARY 12, 2012

A Meeting of the Board of Directors of the Rhode Island Health and Educational Building Corporation was held on **Thursday, January 12, 2012 at 5:30 p.m.,** at the Corporation's office, 170 Westminster Street, Suite 1200, Providence, RI 02903.

Directors present: James Salome, Chairman; Ralph Ezovski, Vice Chairman; and John Bentz, Treasurer

Also present: Robert Donovan, the Corporation's Executive Director; Scott O'Malley, the Corporation's Chief Financial Officer; Emily Glynn, the Corporation's Executive Assistant; Peter Scoliard from Public Financial Management, Inc., Maureen Gurghigian from First Southwest Co., the Corporation's Financial Advisors; James McGuirk from Edwards Wildman Palmer LLP, Normand Benoit from Partridge, Snow & Hahn LLP, Paul Campellone from Adler Pollock & Sheehan P.C., Ashley Taylor from Hinckley Allen & Snyder LLP, the Corporation's Bond Counsel; and Antonio Afonso, Jr. from Moses Afonso, LTD, the Corporation's Counsel.

1. **TO APPROVE THE PUBLIC SESSION MINUTES OF THE MEETING HELD ON DECEMBER 8, 2011**

   It was unanimously voted upon motion by Mr. Ezovski, seconded by Mr. Bentz, to approve the Public Session Minutes of the Regular Meeting of December 8, 2011.

2. **TO REVIEW THE EXECUTIVE DIRECTOR'S REPORT**

   A) **TO ADOPT A POLICY CONCERNING FINANCIAL ADVISORS' ROLE IN THE DIRECT PURCHASE OF RIHEBC BONDS BY BANKING INSTITUTIONS**

   Mr. Afonso presented the Policy and Guidelines relating to Private Placements and Direct Purchases. He explained that the Securities and Exchange Commission and Municipal Securities Rulemaking Board have indicated that financial advisors may be considered Placement Agents in certain transactions depending on their involvement. In order for the Corporation's financial advisors not to be considered as Placement Agents, adoption of the proposed policy by the Corporation will prevent any confusion about their role and from being considered a Placement Agent. It was unanimously voted upon motion by Mr. Bentz, seconded by Mr. Ezovski, to adopt the policy as presented.

B) TO CONSIDER AN AMENDMENT TO THE CORPORATION'S INVESTMENT POLICY

Mr. Donovan stated that when the Board adopted the Corporation's Investment Policy, the maximum amount permitted for investing in CDs was 20%. It was requested that the Board increase the investment amount to 25% due to Sovereign Bank closing its investment division and the low rates of return on fixed-income securities. It was unanimously voted upon motion by Mr. Bentz, seconded by Mr. Ezovski to amend the Corporation's Investment Policy.

C) TO APPROVE THE CORPORATION'S REQUEST TO CONDUCT A HOSPITAL STUDY

Mr. Donovan presented an outline for a possible study on the outlook for hospitals in Rhode Island. After discussion with the Department of Health and the Hospital Association of RI, it was concluded that given the challenges faced by the State's hospitals, now is an appropriate time to evaluate the current situation. He then stated that while the study will most likely be below the requested budget amount of $100,000, the study will be beneficial not only to RIHEBC, but to others as well. It was unanimously voted upon motion by Mr. Bentz, seconded by Mr. Ezovski to approve the Corporation's request to conduct a Hospital Study.

D) TO AUTHORIZE AN ADJUSTMENT TO THE CORPORATION'S BUDGET

Mr. Donovan stated that in addition to the Budget change regarding to the Hospital study, the Corporation is also requesting adjustments to equipment related to the copy machine and phone system as well as to the Corporation's legal expenses. It was unanimously voted upon motion by Mr. Bentz, seconded by Mr. Ezovski, to approve the adjustments to the Corporation's Budget.

E) TO CONSIDER AN AMENDMENT TO THE AUTHORIZING RESOLUTION FOR THE PROVIDENCE COLLEGE BOND ISSUE REGARDING THE TRUSTEE

Mr. Donovan explained that when the Board adopted the Authorizing Resolution on October 5, 2011 for Providence College, Wells Fargo was named as Trustee and Paying Agent. Since the sale of the bonds, comments submitted on the Loan and Trust Agreement by Wells Fargo were not acceptable to RIHEBC and in order to avoid a delay in closing on the bonds, it is requested that the Board authorize the Chairman to substitute another qualified firm for Wells Fargo should an agreement not be reached. It was unanimously voted upon motion by Mr. Bentz, seconded by Mr. Ezovski, to provide the Chairman with the authority to choose another firm if required.

3. TO REVIEW THE FINANCIAL ADVISOR'S REPORT

Ms. Gurghigian stated that the Providence College pricing summary will be presented at the next meeting.

4. A) TO GRANT PRELIMINARY APPROVAL FOR RHODE ISLAND SCHOOL OF DESIGN

Mr. Scoliard presented the Preliminary Approval Memorandum for the Rhode Island School of Design bond issue. It was unanimously voted upon motion by Mr. Bentz, seconded by Mr. Ezovski, to grant Preliminary Approval for the Rhode Island School of Design bond issue.

B) TO APPOINT AN INVESTMENT BANKER FOR RHODE ISLAND SCHOOL OF DESIGN

Mr. Donovan requested that the Board appoint Bank of America Merrill Lynch as Investment Banker for the Rhode Island School of Design bond issue. It was unanimously voted upon motion by Mr. Ezovski, seconded by Mr. Bentz, to appoint Bank of America Merrill Lynch as Investment Banker for the Rhode Island School of Design bond issue.

5. **TO GRANT FINAL APPROVAL AND ADOPT AN AUTHORIZING RESOLUTION FOR THE TOWN OF EAST GREENWICH**

   Ms. Gurghigian presented the Final Approval Memorandum for the Town of East Greenwich bond issue. It was unanimously voted upon motion by Mr. Bentz, seconded by Mr. Ezovski, to grant Final Approval for the Town of East Greenwich bond issue.

   Mr. Benoit presented the Authorizing Resolution for the Town of East Greenwich bond issue. It was unanimously voted upon motion by Mr. Bentz, seconded by Mr. Ezovski, to adopt the Authorizing Resolution for the Town of East Greenwich bond issue.

6. **TO GRANT FINAL APPROVAL AND ADOPT AN AUTHORIZING RESOLUTION FOR IMMACULATE CONCEPTION CATHOLIC REGIONAL SCHOOL**

   Ms. Gurghigian presented the Final Approval Memorandum for the Immaculate Conception bond issue. It was unanimously voted upon motion by Mr. Bentz, seconded by Mr. Ezovski, to grant Final Approval for the Immaculate Conception bond issue.

   Ms. Taylor presented the Authorizing Resolution for the Immaculate Conception bond issue. It was unanimously voted upon motion by Mr. Ezovski, seconded by Mr. Bentz, to adopt the Authorizing Resolution for the Immaculate Conception bond issue.

7. **TO GRANT FINAL APPROVAL AND ADOPT AN AUTHORIZING RESOLUTION FOR THE PROVIDENCE CENTER**

   Ms. Gurghigian presented the Final Approval Memorandum for The Providence Center bond issue. It was unanimously voted upon motion by Mr. Bentz, seconded by Mr. Ezovski, to grant Final Approval for The Providence Center bond issue.

   Ms. Taylor presented the Authorizing Resolution for The Providence Center bond issue. It was unanimously voted upon motion by Mr. Bentz, seconded by Mr. Ezovski, to adopt the Authorizing Resolution for The Providence Center bond issue.

8. **TO CONSIDER ANY OTHER BUSINESS TO COME PROPERLY BEFORE THE BOARD**

   There being no other business to come before the Board, it was unanimously voted upon motion by Mr. Ezovski, seconded by Mr. Bentz, to adjourn at 6:25 p.m.