



TAHOE FOREST HOSPITAL DISTRICT

2016-02-24 Special Meeting of the Board of Directors

Wednesday, February 24, 2016 at 8:30 am

Tahoe Forest Health System Foundation Conference Room

10976 Donner Pass Rd, Truckee, CA 96161

Meeting Book - 2016-02-24 Special Meeting of the Board of Directors

02/24/16 Special Meeting

AGENDA

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ITEMS 1 - 5: See Agenda

6. ITEMS FOR BOARD DISCUSSION AND/OR ACTION

6.1. Refinancing of General Obligation Bonds - Series B
Gary Hicks & Crystal Betts, CFO

a. Executive Summary.pdf Page 4

b. Debt Service Comparison.pdf Page 7

c. 2016-01 Resolution.pdf Page 10

6.2. CEO Incentive Compensation Goals

Any materials will be distributed at time of meeting.

ITEMS 7 - 8: See Agenda

9. MEETING EFFECTIVENESS ASSESSMENT

MeetingEvaluationForm.pdf Page 12

10. ADJOURN



SPECIAL MEETING OF THE BOARD OF DIRECTORS

AGENDA

Wednesday, February 24, 2016 at 8:30 a.m.
Foundation Conference Room – Tahoe Forest Hospital District
10976 Donner Pass Road, Truckee, CA 96161

1. **CALL TO ORDER**

2. **ROLL CALL**

3. **CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA**

4. **INPUT – AUDIENCE**

This is an opportunity for members of the public to address the Board on items which are not on the agenda. Please state your name for the record. Comments are limited to three minutes. Written comments should be submitted to the Board Clerk 24 hours prior to the meeting to allow for distribution. Under Government Code Section 54954.2 – Brown Act, the Board cannot take action on any item not on the agenda. The Board may choose to acknowledge the comment or, where appropriate, briefly answer a question, refer the matter to staff, or set the item for discussion at a future meeting.

5. **INPUT FROM EMPLOYEE ASSOCIATIONS**

This is an opportunity for members of the Employee Associations to address the Board on items which are not on the agenda. Please state your name for the record. Comments are limited to three minutes.

6. **ITEMS FOR BOARD DISCUSSION AND/OR ACTION**

6.1. Refinancing of General Obligation Bonds – Series B ♦ ATTACHMENT

Board will receive and consider for approval the refinancing of General Obligation Bonds – Series B.

6.2. Chief Executive Officer Incentive Compensation Goals ♦

Board will work to develop and determine the CEO's Incentive Compensation Goals.

7. **ITEMS FOR NEXT MEETING**

8. **BOARD MEMBERS REPORTS/CLOSING REMARKS**

9. **MEETING EFFECTIVENESS ASSESSMENT** ATTACHMENT

The Board will identify and discuss any occurrences during the meeting that impacted the effectiveness and value of the meeting.

10. **ADJOURN**

The next regularly scheduled meeting of the Board of Directors of Tahoe Forest Hospital District is February 25, 2016, 11603 Donner Pass Rd., Truckee, CA. A copy of the Board meeting agenda is posted on the District's web site (www.tfhd.com) at least 72 hours prior to the meeting or 24 hours prior to a Special Board Meeting.

*Denotes material (or a portion thereof) may be distributed later.

Note: It is the policy of Tahoe Forest Hospital District to not discriminate in admissions, provisions of services, hiring, training and employment practices on the basis of color, national origin, sex, religion, age or disability including AIDS and related conditions.

Equal Opportunity Employer. The meeting location is accessible to people with disabilities. Every reasonable effort will be made to accommodate participation of the disabled in all of the District's public meetings. If particular accommodations for the disabled are needed (i.e., disability-related aids or other services), please contact the Executive Assistant at 582-3481 at least 24 hours in advance of the meeting.



Board Informational

Board Informational Report

By: Crystal Betts
Chief Financial Officer

DATE: February 19, 2016

Refunding of the 2010 General Obligation Bonds

On August 3, 2010, the District issued its Tahoe Forest Hospital District General Obligation Bonds, Election of 2007, Series B (2010), in the original principal amount of \$43,000,000, of which \$42,785,000 principal amount remains outstanding (the "2010 Bonds"). The 2010 Bonds have a final maturity of August 1, 2040, with interest rates ranging from 4.00% to 5.50%. The 2010 Bonds funded the remodeling, expansion, improvement and equipping of health facilities owned and operated by the District located in Truckee, California.

On February 24, 2016, the Board of Directors will be asked to consider approving an Initial Resolution to authorize certain officers of the District to initiate the commencement of actions that could lead to the refunding of the 2010 Bonds by issuing 2016 General Obligation Refunding Bonds through a public sale or private placement. Final approval of any proposed refunding of the 2010 Bonds will be subject to future Board approval with the stipulation that the present value savings to be realized by the District with respect to a refunding of the 2010 Bonds must generate a minimum of 5% net present value savings as a percentage of the outstanding principal balance of the 2010 Bonds and the final maturity date of the 2016 General Obligation Refunding Bonds will not be any later than the final maturity date of the 2010 Bonds.

In March of 2015, when the District issued its 2015 General Obligation Refunding Bonds it received an Aa3 rating from Moody's Investors Service. Given the recent stabilization of the District's operating performance we would expect this Aa3 rating to remain for the District should it ultimately elect to issue the 2016 General Obligation Refunding Bonds as a public sale.

As occurred with the issuance of the 2015 General Obligation Refunding Bonds, a public offering and private placement of the 2016 General Obligation Refunding Bonds will be evaluated based on current market conditions and circumstances. Ultimately, a public offering was pursued for the issuance of the 2015 General Obligation Refunding Bonds even though a private placement

with Western Alliance Public Finance was pursued for the issuance of the 2015 Revenue Refunding Bonds.

Refunding of the 2010 General Obligation Bonds (continued)

Based on a preliminary analysis of the proposed refunding, a net savings of \$8.08 million and a net present value savings \$5.87 million (13.72% net present value savings as a percentage of the par amount of the 2010 Bonds outstanding), is estimated. This estimated savings level exceeds the 5% savings required in resolutions passed by this Board of Directors with refundings that occurred in 2015. As mentioned earlier, the final maturity of the 2016 General Obligation Refunding Bonds would not exceed the final maturity of the 2010 Bonds being refunded.

If you elect to proceed with the proposed refunding and the refunding is completed, redemption of the 2010 Bonds would not occur until August 1, 2018 (the first optional call date for the 2010 Bonds). During the interim period from the issuance of the 2016 General Obligation Refunding Bonds (estimated to occur on or about May 3, 2016) and the redemption date of the 2010 Bonds on August 1, 2018, the 2010 Bonds would be legally defeased through a defeasance escrow (comprised of treasury obligations purchased with proceeds of the 2016 General Obligation Refunding Bonds) held by US Bank as Escrow Agent for the District. This “advance refunding” would allow the District to refund the 2010 Bonds prior to their redemption date and realize debt service savings based upon current low interest rates over the life of the 2010 Bonds.

\$45,100,000.00

Tahoe Forest Hospital District
General Obligation Refunding Bonds, Election of 2007
2016 Refunding 2010 Bonds

Debt Service Comparison

Date	Total P+i	Net New D/S	Old Net D/S	Savings
08/01/2016	1,039,225.00	1,039,225.00	1,363,837.50	324,612.50
08/01/2017	2,180,050.00	2,180,050.00	2,501,475.00	321,425.00
08/01/2018	2,238,550.00	2,238,550.00	2,562,675.00	324,125.00
08/01/2019	2,301,050.00	2,301,050.00	2,625,875.00	324,825.00
08/01/2020	2,368,050.00	2,368,050.00	2,690,875.00	322,825.00
08/01/2021	2,427,150.00	2,427,150.00	2,752,475.00	325,325.00
08/01/2022	2,501,050.00	2,501,050.00	2,825,675.00	324,625.00
08/01/2023	2,571,650.00	2,571,650.00	2,894,875.00	323,225.00
08/01/2024	2,637,800.00	2,637,800.00	2,961,375.00	323,575.00
08/01/2025	2,706,800.00	2,706,800.00	3,027,375.00	320,575.00
08/01/2026	2,766,200.00	2,766,200.00	3,087,150.00	320,950.00
08/01/2027	2,826,200.00	2,826,200.00	3,150,325.00	324,125.00
08/01/2028	2,891,700.00	2,891,700.00	3,216,350.00	324,650.00
08/01/2029	2,966,500.00	2,966,500.00	3,290,812.50	324,312.50
08/01/2030	3,045,700.00	3,045,700.00	3,368,387.50	322,687.50
08/01/2031	3,123,900.00	3,123,900.00	3,448,600.00	324,700.00
08/01/2032	3,195,150.00	3,195,150.00	3,516,350.00	321,200.00
08/01/2033	3,267,650.00	3,267,650.00	3,589,475.00	321,825.00
08/01/2034	3,335,950.00	3,335,950.00	3,657,150.00	321,200.00
08/01/2035	3,405,050.00	3,405,050.00	3,729,100.00	324,050.00
08/01/2036	3,474,800.00	3,474,800.00	3,799,500.00	324,700.00
08/01/2037	3,566,800.00	3,566,800.00	3,887,500.00	320,700.00
08/01/2038	3,655,600.00	3,655,600.00	3,978,750.00	323,150.00
08/01/2039	3,746,000.00	3,746,000.00	4,067,500.00	321,500.00
08/01/2040	3,837,600.00	3,837,600.00	4,163,250.00	325,650.00
Total	\$72,076,175.00	\$72,076,175.00	\$80,156,712.50	\$8,080,537.50

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	5,866,582.40
Net PV Cashflow Savings @ 2.905%(Bond Yield)	5,866,582.40
Contingency or Rounding Amount	4,355.92
Net Present Value Benefit	\$5,870,938.32
Net PV Benefit / \$42,785,000 Refunded Principal	13.722%
Net PV Benefit / \$45,100,000 Refunding Principal	13.018%

Refunding Bond Information

Refunding Dated Date	6/01/2016
Refunding Delivery Date	6/01/2016

\$45,100,000.00

Tahoe Forest Hospital District
General Obligation Refunding Bonds, Election of 2007
2016 Refunding 2010 Bonds

Sources & Uses

Dated 06/01/2016 | Delivered 06/01/2016

Sources Of Funds

Par Amount of Bonds	\$45,100,000.00
Reoffering Premium	2,831,423.60
Total Sources	\$47,931,423.60

Uses Of Funds

Total Underwriter's Discount (0.718%)	324,026.30
Costs of Issuance	300,000.00
Deposit to Net Cash Escrow Fund	47,303,041.38
Rounding Amount	4,355.92
Total Uses	\$47,931,423.60

**TAHOE FOREST HOSPITAL DISTRICT
COSTS OF ISSUANCE - 2016 GENERAL OBLIGATION BONDS**

	Budget	Actual	Variance	Actual Costs of Issuance		Total
	(\$45,000,000)	(\$45,000,000)		Paid by TFHD	Paid by US Bank	
Bond counsel	\$45,000.00					
District counsel	5,000.00					
Disclosure counsel	25,000.00					
Financial advisor	97,000.00					
Paying agent	2,000.00					
Escrow agent	1,000.00					
Official statement printer	2,000.00					
Rating	28,000.00					
Bidding agent	3,000.00					
Auditor's consent	5,000.00					
Cal Muni Statistics	1,500.00					
Verification agent	2,500.00					
Miscellaneous	8,000.00					
Total costs of issuance	\$225,000.00	\$0.00	-	\$0.00	\$0.00	\$0.00
As a percent of par	0.50%	0.00%				

TAHOE FOREST HOSPITAL DISTRICT

RESOLUTION NO. 2016-01

RESOLUTION OF THE BOARD OF DIRECTORS OF TAHOE FOREST HOSPITAL DISTRICT AUTHORIZING THE COMMENCEMENT OF PROCEEDINGS IN CONNECTION WITH THE PROPOSED ISSUANCE OF BONDS TO REFUND THE OUTSTANDING TAHOE FOREST HOSPITAL DISTRICT (PLACER AND NEVADA COUNTIES, CALIFORNIA) GENERAL OBLIGATION BONDS, ELECTION OF 2007, SERIES B (2010), RETAINING A FINANCIAL ADVISOR AND A BOND COUNSEL AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO

RESOLVED, by the Board of Directors (the "Board") of Tahoe Forest Hospital District (the "District"):

WHEREAS, the District has been informed that, based on prevailing interest rates in the municipal bond market, there is an opportunity to refund its outstanding Tahoe Forest Hospital District (Placer and Nevada Counties, California) General Obligation Bonds, Election of 2007, Series B (2010), by the issuance and sale of general obligation refunding bonds for debt service savings (the "Refunding Bonds");

WHEREAS, it is appropriate that the Board formally appoint a financial advisor and bond counsel in connection with the execution and delivery of the Refunding Bonds;

NOW, THEREFORE, it is hereby DECLARED and ORDERED, as follows:

Section 1. The Board authorizes appropriate officers and officials of the District to proceed with the preparation of the necessary documents in connection with the issuance and sale of the Refunding Bonds, subject to the final approval thereof by the Board at a subsequent meeting.

Section 2. G.L. Hicks Financial LLC, is hereby designated as financial advisor to the District in connection with the issuance and sale of the Refunding Bonds, the compensation for such services to be negotiated by the chief executive officer, the chief financial officer or other appropriate officer or official of the District.

Section 3. Quint & Thimmig LLP, is hereby designated as bond counsel to the District in connection with the issuance and sale of the Refunding Bonds, the compensation for such services to be negotiated by the chief executive officer, the chief financial officer or other appropriate officer or official of the District.

Section 4. All actions of the officers, agents and employees of the District that are in conformity with the purposes and intent of this resolution, whether taken before or after the adoption hereof, are hereby ratified, confirmed and adopted.

Section 5. The chief executive officer, the chief financial officer and other appropriate officers and officials of the District are hereby authorized and directed to take such action and to execute such documents as may be necessary or desirable to effectuate the intent of this resolution.

Section 6. This resolution shall be in full force and effect immediately upon its adoption.

* * * * *

I hereby certify that the foregoing resolution was duly adopted at a meeting of the Board of Directors of Tahoe Forest Hospital District held on the 24th day of February, 2016, by the following vote:

AYES, and in favor of, Board Members:

NOES, Board Members:

ABSENT, Board Members:

By _____
John Mohun, Secretary

Tahoe Forest Hospital District

Board of Directors Meeting Evaluation Form

Date: _____

		Exceed Expectations	4	Meets Expectations	2	Below Expectations
1	Overall, the meeting agenda is clear and includes appropriate topics for Board consideration	5	4	3	2	1
2	The consent agenda includes appropriate topics and worked well	5	4	3	2	1
3	The Board packet & handout materials were sufficiently clear and at a 'governance level'	5	4	3	2	1
4	Discussions were on target	5	4	3	2	1
5	Board members were prepared and involved	5	4	3	2	1
6	The education was relevant and helpful	5	4	3	2	1
7	Board focused on issues of strategy and policy	5	4	3	2	1
8	Objectives for meeting were accomplished	5	4	3	2	1
9	Meeting ran on time	5	4	3	2	1

Please provide further feedback here:
