



HALIFAX HEALTH

Board of Commissioners Special Meeting

Monday, March 30, 2020
4:00pm - France Tower
Conference Room A

Conference Call Participation
Dial In Number: 888-585-9008
Participant Room: 532-800-500

HALIFAX HEALTH BOARD OF COMMISSIONERS SPECIAL MEETING

303 No. Clyde Morris Boulevard, Daytona Beach, FL

France Tower Conf. Room A

March 30, 2020

Conference Call Participation Information

Dial In: 888-585-9008

Participant Room: 532-800-500

AGENDA

Call to Order

Roll Call

Mission Statement

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Waiver of Notice

Approval of Agenda (Action)

New Business (Action)

- Resolution - J.P. Morgan Line of Credit - \$15,000,000
- Resolution - Purchase of Equipment & Supplies for COVID-19

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Old Business

Public Participation

Next Meeting

- May 13, 2020 – 4pm France Tower Conf. Room A

Adjourn



OUR MISSION is to be the community healthcare leader through exceptional talent and superior patient centered service delivered in a financially sustainable manner.

OUR VISION is to develop talented teams dedicated to providing competent, accountable patient centered healthcare in a financially sustainable manner.

OUR VALUES:

Halifax Health will cultivate a positive workplace in which each team member is valued, respected, and has an opportunity for personal and professional growth. We will develop patient centered systems of care.

OUR SERVICE PHILOSOPHY:

Halifax Health will ensure that those we serve are treated with courtesy and respect in a safe, compassionate, and professional environment.

Halifax Health will provide exemplary medical, emotional, and spiritual care for each of our patients and their families.

Adopted 7/14/10



HALIFAX HEALTH

TO: Board of Commissioners, Halifax Hospital Medical Center
FROM: Kelly Parsons Kwiatek, General Counsel
DATE: March 27, 2020
RE: Resolution Establishing Emergency Situation and Authorizing Additional Borrowing per \$15,000,000 LOC with J.P. Morgan

In light of the current SARS-CoV-2, 2019 Novel Coronavirus (COVID-19) pandemic, the District finds itself in an emergency situation and with the need to take decisive action in response to the pandemic. As a result, the Board of Commissioners meeting to be held on Monday, March 30, 2020, will be held pursuant to emergency meeting provisions of Florida's Government in the Sunshine Laws and in accordance with an executive order issued by Governor DeSantis on March 20, 2020, which waived in-person quorum requirements for public meetings. The meeting will be held by teleconference in light of the Governor's order.

The Bylaws of the Board of Commissioners of Halifax Hospital Medical Center contemplate that any "special meeting" may be conducted with seven (7) days' notice. However, in accordance with Article II, Section 3, the notice requirement may be waived, provided that the waiver of notice shall be the first order of business at the meeting. Because of the need to act quickly, we will, as the first order of business, request that Commissioners waive the seven (7) day notice requirement.

As noted above, the Governor's Executive Order 20-69 suspends the requirement for an in-person quorum at public meetings. That order also provides that all other requirements of Florida's Government in the Sunshine Laws, and Florida Statutes Chapter 286, continue to apply. Consistent with the bylaws and with applicable Florida Law, the Board may convene an emergency meeting, however, Florida Statutes Section 120.525(3) requires that the Board specifically set forth in writing its reasons for concluding that invoking emergency meeting procedures was appropriate under the circumstances. So in addition to approving the substantive issue at hand, the resolution sets forth the facts and circumstances giving rise to the emergency situation.

The resolution then authorizes an additional, unsecured revolving line of credit in the amount of \$15,000,000 from J.P. Morgan Chase Bank, NA, on the terms summarized in the letter/term sheet attached hereto for purposes of responding to the COVID-19 pandemic. Given the current financial climate, J.P. Morgan has advised that

it will only hold credit terms for a very limited period of time, and therefore, immediate action on the proposal as set forth in the term sheet is imperative.

The material financial terms are summarized in the term sheet, and as noted, the credit agreement would provide for covenants consistent with the Master Trust Indenture which governs the Obligated Group.



HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer
FROM: Eric Peburn, Executive Vice-President and Chief Financial Officer
DATE: March 27, 2020
RE: Additional \$15 million Line-of-Credit (LOC)

Adverse financial and cash flow impacts are expected from the Coronavirus (COVID-19) pandemic including:

1. Direct incremental costs – labor, supplies, interest costs, other
2. Reduced elective procedure volume
3. Increase in uncompensated care
4. Slowdown in payments as payors begin to deal with their ability to process claims

In anticipation of these factors and potential short-term liquidity needs, we are pursuing a \$15 million LOC. This LOC will be in addition to an existing \$15 million LOC that has been in place for several years, which would bring the total short-term LOC available to \$30 million. The proposed and existing LOC are through JP Morgan.

The terms of the proposed LOC are as follows:

Available balance: \$15 million

Interest rate: One month LIBOR, plus 200 bps;
with a one month LIBOR floor of 1%

Effective rate today: 3.00%

Term: 364 days

Origination fee: 10 bps

Non-use fee: 45 bps (cancelable upon termination of the LOC)

The existing LOC has a rate of one month LIBOR plus 75 bps. Accordingly, draws on the LOC, if any, would first come from the existing LOC.

Attached to this memo is a memorandum from HHMC General Counsel and a Board Resolution, including a Term Sheet from JP Morgan for the proposed LOC.

Approval of the Resolution authorizing the LOC is requested.

RESOLUTION

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF HALIFAX HOSPITAL MEDICAL CENTER DECLARING AN EMERGENCY SITUATION IN LIGHT OF COVID-19; AUTHORIZING SHORT-TERM BORROWING ON AN EMERGENCY BASIS IN THE FORM OF A REVOLVING LINE OF CREDIT WITH J.P. MORGAN CHASE BANK, N.A.; AND DESIGNATING AUTHORIZED SIGNERS FOR REVOLVING LINE OF CREDIT DOCUMENTS

WHEREAS, the Board of Commissioners finds that the SARS-CoV-2, 2019 Novel Coronavirus (COVID-19) pandemic presents an immediate danger to the public health, safety, and welfare of the residents and constituents of the District; and

WHEREAS, the Board of Commissioners finds it to be in the best interests of the District to obtain additional funding availability in order to respond to the COVID-19 pandemic and to meet anticipated increased needs; and

WHEREAS, the Board of Commissioners desires to authorize appropriate officers of the District to negotiate, execute and deliver appropriate loan agreements related to an additional line of credit;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF HALIFAX HOSPITAL MEDICAL CENTER that:

1. Declaration of Emergency Situation. As contemplated by Florida Statutes Section 120.525(3), the Board of Commissioners hereby declares that an emergency situation exists in light of the COVID-19 pandemic, and that the COVID-19 pandemic presents an immediate threat to the public health, safety and welfare of the District, its residents and constituents. In light of the continuing spread of the COVID-19 virus, anticipated increased public health needs within the District as a result, and uncertainty in the credit markets, the Board of Commissioners finds it necessary to take the emergency actions set forth herein.
2. Authorization for Short Term Borrowing. The authorized signers designated herein, and other appropriate executives and officers of the District are hereby authorized on behalf of the District to establish a short term line of credit with J.P. Morgan Chase Bank, N.A. in the amount of \$15,000,000 on the terms set forth in the letter attached hereto as Exhibit "A" (the "Short Term Line of Credit"). The authorized signers are hereby authorized, empowered and directed on behalf of the District, to negotiate, finalize, and execute any and all agreements and instruments necessary to establish the Short Term Line of Credit consistent with the terms set forth in Exhibit "A."
3. Authorized Signers. The President & Chief Executive Officer and Chief Financial Officer of Halifax Hospital Medical Center are hereby authorized, empowered and directed to transact all business with respect to the Short Term Line of Credit and to execute and deliver, on behalf of the District all instruments, documents and agreements of any kind that may be required in connection therewith.

PASSED AND ADOPTED in an emergency meeting of the Halifax Hospital Medical Center held on the 30th day of March, 2020, via teleconference and/or video conference consistent with that certain Executive Order 20-69 issued by the Governor of Florida and applicable Florida law.

HALIFAX HOSPITAL MEDICAL CENTER

By: _____
Chairman

ATTEST:

Secretary

EXHIBIT A

See attached Term Letter from J.P. Morgan Chase Bank, N.A.
dated the 26th day of March, 2020

J.P.Morgan

Delivery via Email

March 26, 2020

Kent Bailey
Senior Vice President of Finance
Halifax Hospital Medical Center
Kent.Bailey@halifax.org

Dear Mr. Bailey:

On behalf of JPMorgan Chase Bank, N.A. (“JPMorgan”), we are pleased to provide indicative terms for discussion relating to a revolving line of credit to Halifax Hospital Medical Center (“Borrower” or “Obligated Group”) as noted below:

| \$15,000,000 Revolving Line of Credit (the “RLOC”) maintained with JPMorgan Chase Bank, N.A. | |
|---|--|
| Purpose: | Provide COVID-19 response and general corporate purposes financing |
| Maturity Date: | One Year from the Date of Closing |
| Interest Rates and Fees: | 30-Day LIBOR + 200 basis points, with a 45 basis points unused fee (paid quarterly in arrears), and a 10 basis point upfront fee Note there will be a 100bps floor on 30-Day LIBOR |
| Security: | The RLOC would be a general, unsecured obligation of the Obligated Group. |
| Terms/Conditions: | The covenants within the MTI would be incorporated by reference and the term, conditions and financial covenants would be substantially consistent with the Series 2008 Reimbursement Agreement and existing \$15 million one-year revolving line of credit. |
| Bank Counsel & Legal Fee: | The Bank will engage a law firm that has expertise in documenting similar types of transactions for healthcare borrowers. All Bank legal fees will be at the expense of the Borrower. |

Please note that these parameters are provided solely for purposes of facilitating further discussion and are indicative only, based upon current market conditions and our current knowledge of the Borrower. Nothing expressed or implied in this letter constitutes an offer or commitment by JPMorgan or any of its affiliates to lend or provide any financial services either on the terms

In providing this letter of interest JPMorgan is not acting as a fiduciary or agent of the recipient, nor as an advisor to the recipient, including a “Municipal Advisor” as defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and in related rules (17 CFR Pars 200, 240, 249) and the contemplated transaction would be within the Bank exemption in such rules. This letter and any ensuing discussions regarding the potential transaction does not and will not constitute any recommendation or advice to the recipient irrespective of whether JPMorgan or any of its affiliate has provided other services, including advisory services, to the recipient. JPMorgan and its affiliates have financial and other interests that differ from those of the recipient and the recipient should consult with its own financial, legal, accounting, tax and other advisors to the extent it deems appropriate.

J.P.Morgan

outlined above or on any other terms. Such obligations would arise only under separate, mutually acceptable written agreements between us.

JPMorgan has been a market leader in public finance credit for over 35 years and our deep familiarity with this sector is viewed as a strong benefit by our healthcare clients. We believe our experience in providing financing solutions and our extensive experience in deal execution foster efficient and cost effective transactions for our customers.

We look forward to further discussing these terms and conditions in greater detail. Our contact information is provided below:


Angelines Jover
Executive Director, Banker
450 S. Orange Avenue, Suite 1000
Orlando, FL 32801
407-236-7510
angelines.jover@jpmorgan.com


Anthony Jay Robinson
Vice President, Senior Underwriter
450 S. Orange Avenue, Suite 1000
Orlando, FL 32801
407-236-5472
jay.robinson@jpmorgan.com

Thank you for your consideration.

Sincerely,

JPMorgan Chase Bank, N.A.

By: 
Angelines Jover
Executive Director, Banker

By: 
Anthony Jay Robinson
Vice President, Senior Underwriter

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RESOLUTION

WHEREAS, Chapter 2003-374 of the Laws of Florida, as amended (the “Enabling Act”), prescribes certain bidding requirements for the Halifax Hospital Medical Center (the “District”) in its acquisition of supplies, commodities, equipment, and materials; and

WHEREAS, the Enabling Act additionally provides for an exception to such bidding requirements in the event the District determines that by reason of an emergency or other unusual condition, compliance with the bidding procedure would be detrimental to the interests of the District or its patients; and

WHEREAS, the District has identified such an emergency or other unusual condition exists as a result of the SARS-CoV-2, 2019 Novel Coronavirus (COVID-19) pandemic and the need for equipment and supplies which may be required in order to handle the anticipated influx of patients infected with the disease into the District’s hospital facilities; and

WHEREAS, the District desires to authorize the acquisition of all equipment and supplies necessary to treat patients infected with, or suspected of being infected with COVID-19 without complying with the standard bidding procedure.

NOW THEREFORE BE IT RESOLVED that:

1. The District hereby specifically finds that it is necessary to procure additional ventilators on an immediate and urgent basis in order to prepare for the probable influx of patients suffering respiratory complications as a result of COVID-19. The District further finds that compliance with the bidding procedure set forth in the Enabling Act for the purchase of the ventilators would be detrimental to the interests of its patients. The District hereby authorizes the acquisition of 10 ventilators in the amount of approximately \$150,000.00 from Philips and 10 ventilators in the amount of approximately \$350,000.00 from CareFusion without complying with the bidding procedure set forth in the Enabling Act.

2. The District further finds that as the number of COVID-19 cases increase in the community, it may be necessary to procure on an emergency basis additional equipment and supplies as yet undetermined in response to the severity of the community outbreak and the number of patients presenting for treatment to District hospital facilities. The District finds that compliance with the bidding procedure set forth in the Enabling Act may be detrimental to the interests of its patients and employees with respect to the immediate need for certain equipment and supplies. Accordingly, the District hereby authorizes its Chief Executive Officer to direct the emergency purchase, lease, or rental of all necessary equipment and supplies which may be required to provide care to COVID-19 patients presenting to District facilities for treatment, and which is also necessary for the protection of the employees of the District providing care to such patients, without complying with the bidding procedure set forth in the Enabling Act.

DONE AND RESOLVED THIS ____ DAY OF MARCH, 2020.

Chairman

Secretary