

## **MARYLAND HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY**

A public meeting of the Maryland Health and Higher Educational Facilities Authority was convened at 10:00 a.m., Tuesday, September 10, 2024, with Mr. Arnold Williams, Chairman, presiding. This open meeting was held at 401 East Pratt Street (World Trade Center) in a conference room on the 26<sup>th</sup> Floor. This meeting was open to the public and available to the public remotely via an open conference and video line.

**Present:** Arnold Williams, Chairman  
Jonathan Martin, Chief Deputy Treasurer, Designee of Treasurer  
Dr. Bisma Beg, Member  
Mamie Johns Perkins, Member  
Arthur S. Varnado, Member  
W. Daniel White, Member  
Bart Savidge, Executive Director  
Lynn Gorman-Lepson, Chief Financial Officer  
David Gregory, Bond Counsel  
William Taylor, Bond Counsel  
Brian Carter, Financial Advisor  
Matt Eisel, Financial Advisor  
Lorraine McClaren, Financial Advisor

**Absent:** Frederick W. Meier, Jr., Member  
John Phelps, Member

**Special Guests:** See attached.

Mr. Arnold Williams, Chairman, convened the meeting. Mr. Savidge announced the names of the Members, staff, counsel, and advisors in attendance.

### **APPROVAL OF MINUTES**

The minutes of the August 6, 2024 regular meeting of the Authority were unanimously approved.

### **LIFEBRIDGE HEALTH SYSTEM**

Mr. Savidge asked the Members to consider an application from LifeBridge Health System to finance new money projects related to its Cancer Center and Emergency Department Projects.

Mr. White disclosed the fact that he is a retired Executive and Board Member of The Whiting-Turner Contracting Company and abstained from all deliberations and action regarding the proposed LifeBridge Health System application.

Mr. Steve Witman, Vice President, Finance/Payor Contracting, Business Development and Cost Containment for LifeBridge, provided a brief background on the Health System, including details on its financial performance, and an overview of the proposed project. Mr. Witman highlighted LifeBridge's fundraising efforts and the results of its performance improvement program, initiated in response to the COVID-19 pandemic.

Mr. David Krajewski, Executive Vice President & CFO of LifeBridge, answered several questions regarding the positive patient impact of the Emergency Room expansions, the current status of the Grace collaboration in West Baltimore and the current plans for the expansion of the Sinai campus.

Following discussion, the Authority, on motion by Mr. Martin, seconded by Mr. Varnado, adopted the following resolution (Affirmative – Williams, Beg, Martin, Perkins and Varnado; Negative – none; Abstain – White):

NOW, THEREFORE, BE IT RESOLVED, THAT the Authority hereby accepts the application submitted by LifeBridge and authorizes any Member and the Executive Director of the Authority to execute the form of acceptance of such application in order to evidence such acceptance and to execute a bond resolution, master loan agreement, security documents and such other documents deemed requisite or appropriate in connection therewith, such acceptance being subject to the following:

(1) the fulfillment of all requirements of the Authority with respect to the quality of obligations which the Authority will issue; and

(2) the Authority's acceptance of such application shall not be deemed to constitute in any way a determination by the Authority that the project or the financing and refinancing of the project is feasible or will in fact be consummated and although the Authority will keep LifeBridge advised from time to time of the Authority's opinion in regard to the possibility of a successful financing and refinancing of the project by the Authority, the Authority does not guarantee such successful financing and refinancing or in any way represent that funds for such financing and refinancing are or will become available.

#### **AUDIT COMMITTEE UPDATE**

Mr. Art Varnado stated that the Authority's Audit Committee met on September 5, 2024 to consider the Authority's FY 2024 Annual Report and Agreed Upon Procedures Report as presented by CohnReznick LLP. The Authority's Audit Committee unanimously accepted the FY 2024 Annual report as presented. Mr. Varnado reported that the Authority received an unmodified opinion on the financial statements from the auditors, that no material weaknesses or significant deficiencies were noted and that, accordingly, there were no comments or adjustments noted in the management letter. Mr. Varnado noted that the Agreed Upon Procedures performed by CohnReznick LLP also indicated no exceptions.

Mr. Varnado reported that the Authority will work with the Audit Committee to set up a task force to study the pros/cons of an investment manager of the Authority's General Operating Fund. He stated that the Authority will also schedule its insurance broker, RCM&D, to present to the Audit Committee a review of the Authority's insurance policies (i.e. D&O and commercial packages).

Ms. Lynn Gorman-Lepson reported that the 2024 audit process was very efficient and successful. She stated that the 2024 Annual Report was in the process of being printed and should be received this week. The Authority has a statutory requirement to finalize and mail the Annual Report by October 1, 2024. Mr. Savidge commended Ms. Gorman and the Authority staff for their excellent teamwork.

### **PRESENTATION ON AI IN THE HEALTHCARE AND HIGHER EDUCATION SECTORS**

Mr. Tim Bracken, Management Consultant for UiPath, provided a high-level presentation on AI and automation. This presentation included an explanation of the key terms used in AI and how AI can benefit the healthcare and higher education sectors.

### **JOHNS HOPKINS HEALTH SYSTEM (JHHS) – SERIES 2024A, B & C Sales Results**

Mr. William Bass, Financial Advisor to the Authority on the JHHS Issues, provided a bond sales report for the JHHS bond transaction that closed on August 15, 2024. Mr. Bass stated that the sales of the three series of variable rate demand bonds were well received by the market, priced fairly and that the transaction achieved JHHS' objectives, including diversifying its variable rate debt mix, extending its bank commitment period and achieving debt service savings.

### **FINANCIAL ADVISOR'S REPORT**

Mr. Brian Carter reported on the current overall economic condition in the United States, highlighting that it is highly likely that the Federal Reserve will reduce interest rates in September and in November. The unemployment rate remains low at 4.3% as of July. Mr. Carter highlighted that indicators relating to pricing and inflation are beginning to moderate while national indicators remain mixed. He provided details on the overall impact these conditions have on interest rates and the municipal bond market.

### **EXECUTIVE DIRECTOR'S REPORT**

Mr. Savidge provided an update on recent closings. Mr. Savidge also reported on recent outreach activities, highlighting meetings with Loyola University Maryland, Maryland Economic Development Corporation and Maryland Industrial Development Financing Authority.

**EXECUTIVE SESSION**

Upon motion by Mr. Varnado, seconded by Mr. White, the Authority voted unanimously to close the meeting pursuant to Section 3-305(b)(6) of the General Provisions Article of the Annotated Code of Maryland for the purpose of discussing the marketing of public securities (Affirmative – Williams, Beg, Martin, Perkins, Varnado and White; Negative – none; Abstain – none).

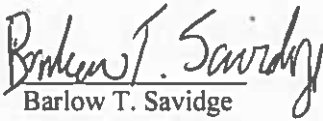
Subsequently, Mr. Williams resumed the public meeting of the Authority.

**LIFEBRIDGE HEALTH SYSTEM – APPOINTMENT OF UNDERWRITERS**

Following discussion, the Authority, on motion by Ms. Perkins, seconded by Dr. Beg, appointed BofA Securities and Truist Securities as the underwriters of the proposed LifeBridge Health System bond issue (Affirmative – Williams, Beg, Martin, Perkins and Varnado; Negative – none; Abstain – none).

With no further business, on motion by Mr. Varnado, seconded by Ms. Perkins, the meeting was adjourned at approximately 11:25 a.m. (Affirmative – Williams, Beg, Martin, Perkins and Varnado; Negative – none; Abstain – none).

The next meeting of the Authority is scheduled for October 1, 2024.

  
Barlow T. Savidge  
Executive Director

Approved:

  
Arnold Williams  
Chairman

October 1, 2024

**Authority Meeting  
September 10, 2024  
Guest List**

**LifeBridge Health System**

David Krajewski, Executive Vice President & CFO

Steve Witman, Vice President, Finance/Payor Contracting, Business Development and  
Cost Containment

**UiPath**

Tim Bracken, Managing Director

**First Tryon Advisors - Authority - Financial Advisor for JHHS Issues**

William (Bill) Bass, Director