

GENESEE COUNTY FUNDING CORPORATION
Thursday, April 28, 2022
9:30 a.m. – Electronically

ATTENDANCE

Board Members: T. Turnbull, P. Zelif, M. Gray, H. Upson, W. Lapple, M. Torrey
Staff: L. Farrell, L. Casey, P. Kennett, J. Krencik, M. Masse, S. Hyde, C. Suozzi
Guests: R. Gaenzle (Harris Beach), M. Landers (County Manager)
Absent:

1. Call to Order

P. Zelif called the meeting of the Genesee County Funding Corporation Board to order at 9:31 a.m.

Governor Kathy Hochul signed legislation (S.50001 / A.40001) on September 2, 2021 extending virtual access to public meetings under NYS's Open Meetings Law, which allows virtual participation in local government meetings during the COVID-19 pandemic. This meeting is being held electronically via conference call / video conference.

2a. Additions / Deletions to the Agenda

None.

2b. Minutes: March 30, 2022

H. Upson made a motion to approve the March 30, 2022 meeting minutes as presented; the motion was seconded by M. Gray. Roll call resulted as follows:

P. Zelif -	Yes	W. Lapple -	Yes
H. Upson -	Yes	T. Turnbull -	Yes
M. Torrey -	Yes	M. Gray -	Yes

The item was approved as presented.

3. Rochester Regional Health (RRH) Tax-Exempt Bond -

On March 30, 2022 the Genesee County Funding Corp voted to approve an initial resolution, authorizing the acceptance of the Rochester Regional Health (RRH) Tax-Exempt Bond application and scheduling of a public hearing based on the following information:

- 1) A \$42M capital investment and \$37.8M in tax-exempt bonding supporting the development and construction of a 105,393 square foot new medical services facility in the Town of Batavia, Genesee County.
- 2) A \$71.8M capital investment and \$60M in tax-exempt bonding to support the development and construction of a 96,189 square foot hospital expansion at the Canton Potsdam hospital in St. Lawrence County.
- 3) A refunding-refinancing of existing tax-exempt bonds both in St. Lawrence County totaling \$37.6M and Monroe County and \$82.6M.

On April 21, 2022, we received a letter amending the GCFC 3/21/22 application with new figures as follows:

- 4) A \$42.035M capital investment and \$39.97M in tax-exempt bonding supporting the project in the Town of Batavia, Genesee County.
- 5) A \$71.8M capital investment and \$63.435M in tax-exempt bonding to support the development and construction of a 96,189 square foot hospital expansion at the Canton Potsdam hospital in St. Lawrence County.

- 6) A refunding-refinancing of existing tax-exempt bonds both in St. Lawrence County totaling \$35.625M and in Monroe County totaling \$83.245M.
- 7) A taxable bond issuance of \$36.16M for the refinancing of taxable loans at an RRH affiliate in Monroe County.

To date, total tax-exempt bond financing is expected to be \$222.275M of which \$103.405M is “new money” supporting the new construction projects whereas \$118.87M is “refunding-refinancing” supporting the retirement of debt previously issued along with a “taxable tail” to be issued in the amount of \$36.16M for a total expected issuance of \$258.435M. Given market volatility of late in the capital markets, RRH has requested GCFC board to approve up to \$275M in “tax-exempt” debt to be issued along with up to \$50M in taxable bonds (the taxable tail) for an aggregate total of up to \$325M.

Approvals needed to issue up to \$275M tax-exempt and \$50M taxable multi-jurisdiction bonds supporting Rochester Regional Health (RRH) projects:

Approval 1: GCFC modification of Certificate of Incorporation (COI) and Mission Statement allowing multi-county bond issuance.

- Genesee County Legislature approval [Complete 3/23/22]
- GCFC Board approval [Complete 3/30/22]
- NYS Attorney General approval of the above [Pending]

Approval 2: Issuance of up to \$275 Million Principal Amount of Tax-Exempt Revenue Bonds [TEFRA]-Genesee County Funding Corporation/RRH Project

- Genesee County Legislature approval [Pending but expected 4/27/22]
- GCFC Board Approval [Pending, 4/28/22]
- Monroe County Executive approval [Pending but expected soon]
- St. Lawrence County Board of Legislators [Pending but expected 5/2/22]

S. Hyde also reviewed the following:

- A. Issuance of these bonds serve as “Conduit Debt” enabling the project sponsor (RRH) to enjoy a lower interest rate than taxable debt given their non-profit status.
- B. “Conduit Debt” does not create any legal liability for debt repayment to either GCFC or Genesee County as the Issuer of these bonds.
- C. These bonds enable up to \$325M in total tax-exempt/taxable financing supporting major expansion projects in Genesee County (\$42.035M CAPEX, 70 FTE permanent jobs created) and St. Lawrence County (\$71.8M, 39 FTE permanent jobs created).
- D. The Benefit to Cost analysis suggests a considerable economic benefit:
 - Total Genesee County Project Lifetime Benefit (10 yrs.) of \$110.6M (present value)
 - Total Project Lifetime Benefit (10 yrs.) of \$172.6M (present value)
 - Project Cost: Not quantified (aka difference in interest rates only – data not available)

a. Rochester Regional Health - Final Resolution -

BOND RESOLUTION
(Rochester Regional Health Project)

RESOLUTION AUTHORIZING THE ISSUANCE, EXECUTION, SALE AND DELIVERY BY THE GENESEE COUNTY FUNDING CORPORATION OF ITS TAX-EXEMPT AND/OR TAXABLE REVENUE BONDS (ROCHESTER REGIONAL HEALTH PROJECT), SERIES 2022, IN ONE OR MORE SERIES IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$325,000,000, INCLUDING MAKING A DETERMINATION UNDER SEQRA (AS HEREINAFTER DEFINED) AND THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS.

M. Gray made a motion to approve Final Bond Resolution as presented; the motion was seconded by M. Torrey. Roll call resulted as follows:

P. Zelif - Yes
H. Upson - Yes
M. Torrey - Yes

W. Lapple - Yes
T. Turnbull - Yes
M. Gray - Yes

The item was approved as presented

b. GCFC Origination Fee – The Genesee County Funding Corp was asked to consider an “Origination/Issuance” Fee amounting to 90 basis points (.9%) of the principal/proceeds of the bonds issued supporting the Genesee County project. This fee is a negotiated rate vs. standard fee policy of 1.25%. This fee adjustment considers the non-profit nature of RRH; the economic benefits of the project; the value of the project and project sponsor to our community and region as well as alignment of the fee structure with pricing offered by competitive issuers.

H. Upson made a motion to approve the GCFC Origination Fee as presented; the motion was seconded by T. Turnbull. Roll call resulted as follows:

P. Zelif - Yes
H. Upson - Yes
M. Torrey - Yes

W. Lapple - Yes
T. Turnbull - Yes
M. Gray - Yes

The item was approved as presented.

c. Grant to GCEDC to Support Economic Development Program – The Genesee County Funding Corp was asked to consider approving a “grant” of 95% of the origination/issuance fee for this project to the GCEDC to support the on-going economic development program of the county which is led and administered by the GCEDC.

M. Torrey made a motion to approve a grant to the GCEDC to support the economic development program as presented; the motion was seconded by T. Turnbull. Roll call resulted as follows:

P. Zelif - Yes
H. Upson - Yes
M. Torrey - Yes

W. Lapple - Yes
T. Turnbull - Yes
M. Gray - Yes

The item was approved as presented.

4. Adjournment

There being no further business, a motion was made to adjourn the meeting at 9:52 p.m. by H. Upson, seconded by M. Gray and approved by all members.