ATTENDANCE
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. Zeliff 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:

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<tbody>
<tr>
<td>P. Zeliff</td>
<td>Yes</td>
<td>W. Lapple</td>
<td>Yes</td>
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<tr>
<td>H. Upson</td>
<td>Yes</td>
<td>T. Turnbull</td>
<td>Yes</td>
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<td>M. Torrey</td>
<td>Yes</td>
<td>M. Gray</td>
<td>Yes</td>
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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 HEREAFTER DEFINED) AND THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS.
DRAFT

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. Zeliff - Yes  W. Lapple - Yes
H. Upson - Yes  T. Turnbull - Yes
M. Torrey - 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. Zeliff - Yes  W. Lapple - Yes
H. Upson - Yes  T. Turnbull - Yes
M. Torrey - 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. Zeliff - Yes  W. Lapple - Yes
H. Upson - Yes  T. Turnbull - Yes
M. Torrey - 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.