

**MINUTES OF THE
MT LEBANON HOSPITAL AUTHORITY
January 12, 2023**

TIME: 6 P.M.

LOCATION: St. Clair Health, Dunlap Conference Center, Rooms A, B & C

MEMBERS ATTENDING: Keith Eliou, Esq.
Jamie B. Lebo
Christopher Reinard, Esq.
Susan Gove
Todd P. Zerega, Esq.
Keith A. McGill

ALSO PRESENT: Steve Silverman, Mt. Lebanon Commissioner

MEMBERS ABSENT: None

ST. CLAIR MANAGEMENT ATTENDING: Eric J. Luttringer
Donna M. Shipley
Lindsay M. Meucci

I. ELECTION OF OFFICERS

The following individuals were presented for the offices indicated. The following terms of office expire on December 31, 2023:

- | | |
|-----------------------|---------------------------|
| ▪ Chairperson | Todd P. Zerega, Esq. |
| ▪ Vice Chairperson | Jamie B. Lebo |
| ▪ Treasurer | Eric J. Luttringer |
| ▪ Assistant Treasurer | Keith Eliou, Esq. |
| ▪ Secretary | Susan Gove |
| ▪ Member | Christopher Reinard, Esq. |

II. CALL TO ORDER – TODD P. ZEREGA, ESQ, CHAIR

A motion was made by Mr. Eliou to approve Officers of the Mt. Lebanon Hospital Authority (the Authority).

ACTION: On motion duly made and seconded, the Officers of the Mt. Lebanon Hospital Authority were unanimously approved.

PUBLIC COMMENTS

Ms. Shipley reported that notice of the meeting was advertised in the Post-Gazette. A conference line phone number and an email address was provided so that the public could either call in or send comments regarding the Mt. Lebanon Hospital Authority (the Authority) meeting.

III. APPROVAL OF THE MINUTES OF JANUARY 13, 2022

A motion was made to approve the minutes of the Ad Hoc meeting of Mt. Lebanon Hospital Authority of January 13, 2022 as presented.

ACTION: On motion duly made, seconded and unanimously carried, the minutes of the meeting of the January 13, 2022 Mt. Lebanon Hospital Authority were approved as presented.

IV. FINANCIAL REPORTS

Ms. Shipley reviewed the June 30, 2022 audited financial report of the Authority, as prepared by Ernst & Young, which contained an unqualified (i.e. "clean") opinion as to the fair presentation of the statements. In reviewing the balance sheet, Ms. Shipley commented that the total assets of \$115.9 million equal the total liabilities of the same amount. The assets are comprised of receivables from the Hospital to pay for the bonds and notes outstanding and related interest. Liabilities are composed of outstanding amounts payable on the Series 2010 Note, the Series 2017 Note, the Series 2018 Bonds, the Series 2021 Notes and accrued interest related to those obligations. It was also noted that total revenues for the year of \$4.5 million equal total expense of the same amount. The footnotes to the financial statements include a description of the purpose of the Authority, a description of each outstanding indenture, and details on the timing of payments for principal and interest on the debt and related receivables. A motion by Mr. Eliou was made to approve the June 30, 2022 audited financial statements.

ACTION: After review and discussion of the report and on motion duly made, seconded and unanimously carried, the Authority approved the audited financial report for Fiscal Year 2022 as submitted.

Ms. Shipley also reviewed the report detailing expenses of \$17,922 which the Hospital paid on behalf of the Authority for the period of January 2022 through December 2022. A motion by Mr. Eliou was made to approve the 2022 expenditures.

ACTION: After review and discussion of the report and on motion duly made, seconded and unanimously carried, the Authority approved the expenditures for 2022 as submitted.

V. DEBT COVENANT COMPLIANCE AS OF JUNE 30, 2022

Ms. Shipley noted the Hospital is in compliance with all bond and note covenants for the year ended June 30, 2022. Debt covenant compliance is audited by Ernst & Young during the annual financial audit. Ms. Shipley also referred the Committee members to copies of the full debt compliance schedule included in the Committee packet.

VI. SERIES 2017 NOTE AMENDMENT –LIBOR REPLACEMENT

Ms. Shipley commented St. Clair's 2017 variable rate Note with PNC utilizes LIBOR as an interest rate index. The LIBOR index will be sunset later this year and St. Clair is recommending an amendment to the Financing Agreement and a 2017 Note Amendment replacing LIBOR with a comparable index. St. Clair, in consultation with PNC and legal counsel, is recommending utilization of the Bloomberg Short-Term Bank

Yield Index (BSBY) as a replacement. The historical comparison of the two yields were presented, with the conclusion the rates were comparable over a three year period. Discussion ensued. A motion was made by Ms. Lebo to approve the borrowing resolution as presented.

ACTION: After discussion and upon motion duly made, seconded and unanimously carried, the Authority approved the resolution to authorize the execution and delivery of the financing agreement amendment and the 2017 Note Amendment, replacing the "LIBOR" index with a widely available industry index determined by the Hospital (BSBY).

VII. SERIES 2021 REFINANCING NOTES UPDATE

Mr. Luttringer provided an update to the Board on the status of the project identified for the new 2021 PNC Notes and the anticipated new steps. Discussion occurred.

VIII. INDEPENDENT AUDITOR

Mr. Luttringer commented that St. Clair elected not to issue a request for proposal for a new auditor as contemplated at the prior year meeting. Ernst & Young LLP (E&Y) was again retained by St. Clair to perform the Fiscal Year 2023 audit and St. Clair Health Corporation anticipates utilization of E&Y to perform the St. Clair Health Corporation Fiscal Year 2024 consolidated audit. A motion by Ms. Lebo was made to approve retaining Ernst & Young LLP as the auditors for both Fiscal Year 2023 and 2024. Discussion ensued.

ACTION: After discussion and upon motion duly made, seconded and unanimously carried, the Authority approved the selection of Ernst & Young LLP as auditors for the Fiscal Year 2023 and Fiscal Year 2024 audit, subject to the Hospital using the same firm.

IX. ST. CLAIR HOSPITAL MANAGEMENT REPORT

Mr. Luttringer discussed the current healthcare environment and St. Clair's most recent bond ratings and rating trends by Standard & Poor's and Fitch since 2006, noting the positive trend. St. Clair's recent award and accolades were also reviewed with the Board. Ms. Meucci discussed St. Clair's most recent Community Health Needs Assessment, the scope of work and methodology and the needs identified. Mr. Luttringer also reviewed St. Clair's economic impact on the region. Discussion occurred throughout the presentation.

X. QUARTERLY CONTINUING DISCLOSURES (JUNE 30, 2022 UNAUDITED)

Ms. Shipley referenced the June 30, 2022 St. Clair Hospital Continuing Disclosures which are included in the packet for the Board's information.

XI. OTHER BUSINESS

No other business at this time

XII. Next Annual Meeting Date Discussion - January 11, 2024 (tentative)

XIII. Adjournment

There being no further business to come before the Board, the meeting adjourned at 6:45 p.m.

Susan Gove
Secretary, MLHA

Eric J. Luttringer, Sr. Vice President & CFO
Treasurer, MLHA