

AUTHORITY NOTES

2020 Series B

Summer 2020

MESSAGE FROM THE EXECUTIVE DIRECTOR

Suffice it to say, 2020 has so far been a year like no other. The novel coronavirus (COVID-19) global pandemic hit New Jersey



and hit with a vengeance! Being situated just across the Hudson River from Ground Zero of the US pandemic, the contagion spread rapidly into New Jersey.

Within a period of about 2 weeks, our whole world changed. Stay-at-home orders were issued, restaurants and stores were shut, people were encouraged to work from home and we were wearing masks. Meanwhile, New Jersey's hospitals were inundated beyond capacity with COVID-19 patients. Doctors, nurses and health care aides worked around the clock, pulling double and triple shifts. Cafeterias and atria were converted into temporary ICU rooms and many hospitals erected triage tents outside of the hospitals to handle the crush of patients. Our health care providers, hospital executives and direct care personnel truly went over and above the call of duty and

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COVID-19 and New Jersey's Pursuit of the Commonweal

No, there is not a typo in the title. In the simplest of terms, "commonweal" refers to the common good or public wellbeing. For centuries, pursuit of the commonweal has been the goal of the laws and policies of democratic governments.

The concept can be traced back to the core tenets of the teachings of Aristotle and Plato. Various philosophers such as St. Thomas Aquinas, John Locke and Jean-Jacques Rousseau adapted the belief in the commonweal to their observations of their contemporary rulers and governments. It was, in fact, the pursuit of the commonweal that provided the impetus for James Madison's fervent advocacy for the U.S. Constitution.

The past few decades our nation has experienced a decline in the concept of commonality – both societally and governmentally. As our American society proceeded from the "Me" Generation through Generations "X" and "Y" to the Millennials and the "I" generation, people's focus turned inward, concentrating on personal agendas and self-pursuits. This individualist cultural trend is demonstrated by the dominance of *My Playlist*, *My Favs* and a proliferation of selfies dominate the internet. The younger generations profess concern on global issues; however their

actions are mainly individual efforts.

Similarly, our US government and political system has strayed from providing for the commonweal. Most of the critical issues facing our nation become extremely partisan battles with neither side willing to compromise. Scoring a political win is now preferable to doing what is best for the public at large. More problematic is that most of our political leaders appear to be more concerned with reelection and personal gain rather than compromising to achieve a comprehensive public policy that serves the public good.

As the COVID-19 pandemic progressed in New Jersey, our leaders were faced with a myriad of options. There was no shortage of advice and plenty of conflicting interests. In reality, our Governor and Commissioner of Health were in "no-win" positions.

Governor Murphy and Commissioner Persichilli went "*Old School*" and chose the path of the commonweal. The Governor and Commissioner knew that every decision would be met by opposition from a segment of the public. Nonetheless, they crafted a strategy for the entire State, ignoring the various groups of detractors. Shared sacrifice was the best way to

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performed in an exemplary manner.

We at the New Jersey Health Care Facilities Financing Authority are truly grateful and proud of their service!

At the Authority, we also had to adapt and improvise. On March 17, the Authority staff was instructed to work remotely. Since that day, all Authority business has been conducted online or over the telephone. Board Meetings are being held via tele-conference as well as staff meetings, and recently, a meeting of the Audit Committee. And, in an Authority first, on April 2, the Authority held a virtual bond closing. We are very fortunate that today's technology makes all of this possible.

To help with the COVID-19 response, the Authority approved the COVID-19 Emergency Loan Program. The no-interest/no fee loans were made available for healthcare facilities to acquire the staff, personal protection equipment and medical equipment needed to fight the pandemic until the federal funding is made available. The Authority is keeping the program open in the event of a 2nd wave of COVID-19.

I am very grateful for the way the Authority Members and staff have handled this very difficult situation. Their professionalism and dedication during this pandemic has been admirable. I am also extremely

Authority Milestones



Nino McDonald - 5 years as the Authority's Database Analyst on March 31, 2020.



John Johnson - 5 years as the Authority's Network Administrator on April 27, 2020.



Bernie Miller - 15 years as the Authority's Construction Compliance Officer on May 23, 2020.

proud of the steady, contemplative leadership of Governor Murphy and Commissioner Persichilli.

Their well-researched, data-driven, decisions "flattened the curve" of COVID-19 cases quickly and are stemming the transmission rate. The strategy is proving to be prudent and effective.

Although we cannot predict when the pandemic will subside or when life will get back to normal, I can assure you that the Authority is ready and able to provide for your financing needs.

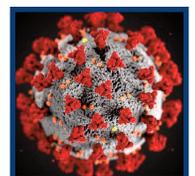
- *Mark E. Hopkins*

COVID-19 Emergency Loan Program

Salem Medical Center

On May 4, 2020, the Authority closed on a 0% interest \$1,420,789 **COVID-19 Emergency Loan** to Salem Medical Center to pay for additional staff to handle COVID-19 patients and patients from other facilities inundated by COVID-19 patients.

The loan was made from the Authority's fund balance and is repayable from CARES Act funding and other COVID-19 aid within 30 days of receipt thereof.

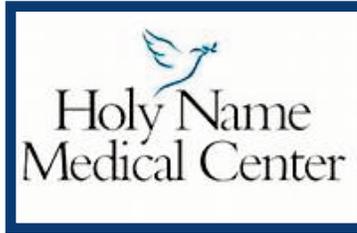


Model of the COVID-19 molecule

Authority Financings

Holy Name Medical Center

On April 2, 2020, the Authority closed on \$19,080,900 of tax-exempt bonds on behalf of Holy Name Medical Center in Teaneck, New Jersey. The proceeds of the transaction were used to currently refund the Authority's Series 2010 bonds and pay the related costs of issuance. The bonds were privately placed with TD Bank, N.A. The all-in TIC was 2.25%.



St. Ann's Home for the Aged

On May 1, 2020 the Authority closed on an amendment to the rate and maturity of bonds issued on behalf of St. Ann's Home for the Aged in 2010.

The amendments were considered a reissuance of the bonds. The rate was changed from a variable rate based on an index to a fixed rate of 3.00% on the outstanding balance of \$9,862,378.59. The maturity is now May 2030.



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attack this crisis. No one would be exempted.

One just has to look to COVID-19 status of states like Florida and Texas to understand that, while causing some inconveniences to everyone, pursuing the commonweal from the outset was by far the best approach.

In recent years, America's motto "*e pluribus Unum*" (out of many, one) has become "*Me*". As a nation, we have forgotten that we are melting pot in which everyone contributes something for the betterment of the whole.

In a pandemic, everyone is at risk. We are all in this together. As such, everyone must do their part to not just stay healthy, but to prevent the spread of disease to others.

Following the lead of the Governor and the Commissioner of Health, we wear masks and we practice social distancing. Most of our events and activities have been cancelled. We cannot go into a restaurant or to the movies. Store capacities are limited.

But, these efforts are showing positive results. The daily counts of new COVID-19 cases, as well as the number of deaths have been dramatically reduced. The transmission rate is below 1.0 and the State is cautiously reopening in stages.

Sure, nobody likes it, but it is all in the spirit of the commonweal. And, it's working! ☚

NJHCFFA Announces COVID-19 Emergency Loan Program

The COVID-19 Aid program is a \$6,000,000 loan program to offset some of the unforeseen expenses incurred by this pandemic. The loan will:

- have no application, initial or annual fees;
- be at an interest rate of 0%;
- be secured solely by Federal and State grants and other financial aid received by the recipient health care organizations as a response to COVID-19, as well as grants from other private and public sources related to COVID-19 resilience (together “COVID-19 Aid”) and anything acquired with the proceeds thereof.

Decisions on the loan recipients will be made according to the priority and amounts set by a committee consisting of the New Jersey Commissioner of Health or her designee, the Executive Director of the Authority and the Authority’s Director of Research, Investor Relations and Compliance. Additionally the loan will specify how the requested funds will be used, for instance: the acquisition of any property, or acquisition, construction or renovation of any building, acquisition of any equipment, including ventilators, acquisition of any supplies, medications or personal protective equipment, hiring of any staff, consultants or temporary workers, or reopening formerly closed hospital beds/wings, etc.

Principal payments would be required within 30 days of receipt of any COVID-19 Aid by the recipient health care organization in the amount of such COVID-19 Aid received, if any, until the loan is fully repaid.

Health care organizations treating COVID-19 patients or handling the overflow of patients from other facilities treating COVID-19 patients may contact the New Jersey Health Care Facilities Financing Authority at info@njhcffa.com or go to www.njhcffa.com for more information.



NJHCFFA MEMBERS

Ex-Officio Members

Judith M. Persichilli, Chair
Commissioner of Health

Carole Johnson
Commissioner of Human Services

Marlene Caride
Commissioner of Banking & Insurance

Public Members

Suzette T. Rodriguez, Esq.
Munr Kazmir, M.D.

*The Authority currently has two
Public Member vacancies.*

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