

WESTCHESTER COUNTY HEALTH CARE CORPORATION

FINANCE COMMITTEE MEETING

June 5, 2019

5:00 P.M.

BOARD ANNEX ROOM

EXECUTIVE OFFICES

COMMITTEE MEMBERS PRESENT: Mr. Hochberg
Mr. Tulis
Mr. Heimerdinger
Mr. Wishnie
Mr. Quintero
Mr. McCoy
Mr. Israel

BOARD MEMBERS PRESENT: Ms. Gevertz
Dr. Frishman

STAFF PRESENT: Ms. Switzer
Mr. Brudnicki
Mr. Fersko
Ms. Ariel
Mr. Costello
Mr. Ingber
Mr. Palovick
Mr. Ross
Mr. Morgan
Dr. Leahy
Ms. Fernandez

The June 5, 2019 meeting of the Westchester County Health Care Corporation Finance Committee was called to order at 5:00 p.m. by Mr. Hochberg, acting Chair. A quorum was present.

Minutes of May 1, 2019 Finance Committee Meeting

MR. HOCHBERG ASKED FOR A MOTION TO APPROVE THE MAY 1, 2019 WESTCHESTER COUNTY HEALTH CARE CORPORATION FINANCE COMMITTEE MEETING MINUTES. MR. WISHNIE MOTIONED, SECONDED BY MR. TULIS. THE MOTION CARRIED UNANIMOUSLY.

Capital Lease

Mr. Morgan presented the following Capital lease for recommendation of approval:

Insight Investments – Computer Network Equipment \$274,815.00, with an interest rate of 5.75%, and a term of 24 months.

MR. HOCHBERG ASKED FOR A MOTION TO RECOMMEND APPROVAL OF THE INSIGHT INVESTMENTS CAPITAL LEASE TO THE BOARD. MR. WISHNIE MOTIONED, SECONDED BY MR. QUINTERO. THE MOTION CARRIED UNANIMOUSLY.

Investment Performance

Mr. Morgan updated the Committee on the portfolio performance of WMC's Captive Insurance Company ("Captive") and the Westchester Medical Center Foundation ("WMCF"). He stated that the month of May was impacted by the overall financial markets. Mr. Morgan advised that the month of May had a negative return of 1.3% for the Captive and 2.7% for the WMCF. He stated that year to date May 31, 2019, the Captive has a positive return of 5.5% and the WMCF had a positive return of 7.5%.

Resolution

Mr. Costello presented a Resolution to the Committee. He advised the Committee that in 2007, the Corporation entered into a Lease with Pep'e Farei One, LLC (the "Landlord") for medical office space totaling approximately 29,903 Rentable Square Feet ("RSF") in the building located at 19 Bradhurst Avenue, Hawthorne, NY (the "Building").

Mr. Costello advised that, through a series of five (5) amendments to the Lease, the latest such amendment dated March 1, 2016 (collectively, the "Amendments"), the Initial Demised Premises under the Existing Lease expanded from 29,903 RSF to 44,244 RSF.

Mr. Costello advised the Committee that, in addition to the Initial Demised Premises, the Corporation and its affiliates lease additional office space ("Additional Space") in the Building from Landlord, pursuant to several separate lease agreements (the "Other Leases"), totaling 109,132 RSF.

Mr. Costello advised the Committee that the Existing Lease expired on December 31, 2016.

Mr. Costello advised the Committee that the Corporation and the Landlord have agreed to: (a) modify and extend the term of the Existing Lease to December 31, 2041; (b) increase the Initial Demised Premises to include the Additional Space so that the Existing Lease shall now cover all 153,376 RSF currently leased by the Corporation and its affiliates at the Building; and (c) the Other Leases shall be superseded and be of no further force or effect.

Mr. Costello advised the Committee that the Corporation now wishes to enter into a Lease Modification and Extension Agreement with Landlord (the "Agreement") to accomplish the foregoing.

A discussion ensued.

MR. HOCHBERG ASKED FOR A MOTION TO RECOMMEND APPROVAL OF THE RESOLUTION TO THE BOARD FOR THE CORPORATION TO ENTER INTO A LEASE MODIFICATION AND EXTENSION AGREEMENT WITH THE LANDLORD. MR. TULIS MOTIONED, SECONDED BY MR. HEMERDINGER. THE MOTION CARRIED UNANIMOUSLY.

Executive Session

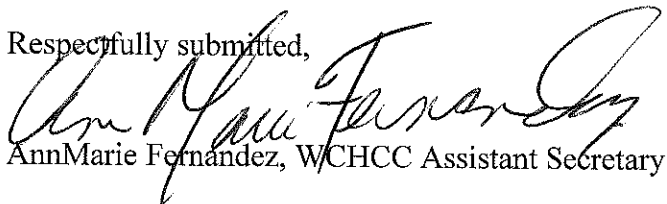
MR. HOCHBERG ASKED FOR A MOTION TO MOVE INTO EXECUTIVE SESSION FOR THE PURPOSE OF DISCUSSING FINANCIAL STRATEGIC PLANNING. MR. TULIS MOTIONED, SECONDED BY MR. WISHNIE. THE MOTION CARRIED UNANIMOUSLY.

A MOTION WAS MADE BY MR. HEIMERDINGER, SECONDED BY MR. TULIS, TO MOVE OUT OF EXECUTIVE SESSION. THE MOTION CARRIED UNANIMOUSLY.

Adjournment

THE MEETING OF THE WESTCHESTER COUNTY HEALTH CARE CORPORATION FINANCE COMMITTEE ADJOURNED AT 5:55 P.M.

Respectfully submitted,



AnnMarie Fernandez, WCHCC Assistant Secretary