

Westchester Medical Center
Request Proposals for Underwriting Services

RFP #6299

Questions Received and Responses

1. Do you have tax exempt reimbursement resolution in place? If so, can you estimate how much previously incurred cap-ex would be eligible for TE reimbursement? Is any of the new money project cost eligible for reimbursement?

- Yes, there is a reimbursement resolution in place for the project. The resolution is dated 4/6/2022. WMC is in the process of compiling the amount of previously incurred cap ex for the project eligible for reimbursement. It is anticipated that all previously incurred cap ex for the project will be eligible for reimbursement.

2. Could we get the amortization schedules for the 2015A and B direct placements?

- [See attached.](#)

3. We note that Westchester provides an “irrevocable and unconditional guaranty” on Charity’s debt service and the bonds are on parity with Westchester’s MTI obligations. Would it be appropriate to consider this debt for refinancing?

- Refinancing of the Charity Health debt that was guaranteed by the MTI is not currently on the table. A separate Board governs Charity, and thus it would be a separate transaction.

4. In order to refinance existing debt, is there a savings threshold that the organization typically uses? Would you contemplate using assumed long dated new money asset life to lengthen existing debt amortization under a common plan of finance to create some near term cash flow relief? Question D(e) references “evaluating and increasing debt capacity in conjunction with the contemplated refinancing of existing long-term debt.” Can you please clarify what debt is being contemplated to be refinanced? In Section 1.1 (Purpose) we only saw reference to new money capital projects and not refinancing.

- The focus of this financing is The Bed Tower Project. We have not targeted any particular series of bonds for refinancing but are willing to consider refinancing opportunities if they exist and provide meaningful savings.

5. Can you please provide the 5-year projected financial performance? Do you have an expected ROI for the project? How does it impact projected financials?

- There has been extensive analysis done on the impact of The Bed Tower project utilizing varying interest rates. In all scenarios the project is accretive on a P&L as well as a cash flow basis. These analyses have been reviewed with the Finance Committee and the Board on a number of occasions.

6. Can you please provide the project draw down schedule (by month if available).

- The project draw down schedule is not yet available. Construction period is estimated to be 30 months.

7. Please provide the full P&I and other debt service you would like us to use for purposes of the structuring on the additional debt.

- [See attached.](#)

8. Can you provide the organization's view of rates over the short-term (1-2) years and long-term (5+ years)?

- WMC will defer to the underwriters on both short term and longer-term rates.

9. Can you please provide any available bond documents (official statements, indentures, or otherwise) for the Series 2014A, 2015A and 2015B debt?

- Not at this time.

10. Can you please confirm if there is a particular reason why the Series 2010B bonds have not been refunded? It appears there is still approximately \$2.7 million of principle left outstanding that was callable at par on 11/1/2020. Would you consider including a refinancing of these bonds (or any other debt) in the contemplated financing if there is economic savings?

- There is no particular reason we are aware of regarding why the 2010B bonds have not been refunded. As previously stated, we are open to considering refinancing opportunities.

11. Question D(i) requests the cost of underwriter's counsel. Would you like us to obtain one or more quotes from specific law firms, or is this meant to be a higher-level estimate of counsel fees? We understand Hawkins Delafield & Wood served as underwriter's counsel on the 2016 and 2020 financings-is Hawkins WMC's preferred selection here?

- We are requesting a high-level estimate of counsel fees.