



## Case Study: CentraCare Health System

Bond Sale Date: March 14, 2019  
\$130,000,000 Series 2019 Tax-Exempt Fixed Rate Bonds

### About CentraCare Health System:

CentraCare Health System ("CentraCare") is a Minnesota integrated healthcare system that provides a full continuum of health care to residents of its twenty-county service area in central and southwest Minnesota. CentraCare is the only integrated healthcare system based in the service area and provides the population with the opportunity to receive high quality, efficient and effective healthcare close to home.

With 8 hospitals and 686 acute care beds, CentraCare maintains approximately 55% of all available beds in its service area. CentraCare provides healthcare to its service area population through 8 long-term care facilities, 11 senior housing facilities, 30 primary care clinics, four outpatient surgery centers, two urgent care sites, one urgency center, four quickClinic sites, three retail pharmacies, and various home health, hospice, home medical equipment and outreach programs.

### Pricing Results:

Credit Ratings: A2/NR/AA-

#### Series 2019 Tax-Exempt Bonds

Maturity	Par Amount (\$millions)	Coupon	Yield to Call	Spread to MMD	Yield to Maturity	Spread to MMD
05/01/48	91.440	5.00%	3.39%	+53bps	4.18%	+132bps
05/01/49	38.560	4.00%	3.77%	+90bps	3.89%	+102bps

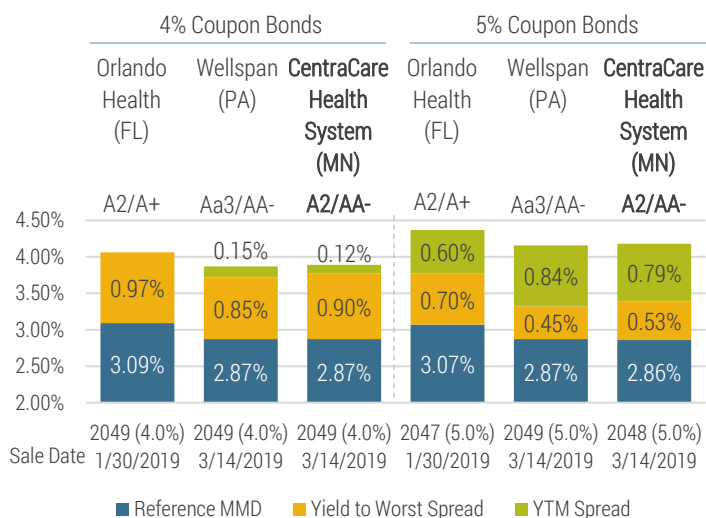
### Focus on Value:

Ponder served as financial advisor to CentraCare for its Series 2019 Bonds. Proceeds will be used to refund CentraCare's outstanding \$8 million Series 2011A Bonds, and finance the costs of constructing a replacement hospital facility in Redwood Falls and a medical clinic in Albany, Minnesota, as well as various other capital projects.

Since CentraCare's 2016 financing, CentraCare has expanded its presence with the addition of Carris Health, the local, rural arm of the System; a portion of the Series 2019 bond proceeds will fund the Carris Health-Redwood facility.

Ponder worked with CentraCare on all aspects of the financing, starting with timing. Healthcare municipal bond supply in 2019 (like many years) has been low, and CentraCare was the first healthcare borrower to issue bonds in the State of Minnesota in the first quarter of 2019 which proved beneficial. Targeting an opportune time in the market coupled with investor and credit support strategies led to strong investor demand. Ponder served as CentraCare's pricing advocate throughout the process and specifically pushed for a mix of 4.0% and 5.0% bonds based on CentraCare's goals to generate optimum investor interest. Given the high demand, CentraCare was able to lower yields in the two term bond maturities in line with other AA- bonds (despite the A2 Moody's rating).

### Comparable Bond Sales:



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