

# ZIEGLER INVESTMENT BANKING

## SENIOR LIVING FINANCE Z-NEWS

### FEATURED ARTICLE

## A RENEWED APPRECIATION FOR EMERGENCY PREPAREDNESS

The events from the past week related to the devastating effects of Hurricane Harvey serve as a stark reminder for every senior living organization that being prepared for disasters, whether driven by mother-nature or accidental, is an important part of planning. We continue to keep all of those dealing with the flooding in our thoughts and prayers. Specifically, for the senior living providers in the region, they are not only dealing with ensuring the safety of their own residents, but also with staff who have lost homes and potentially loved ones.

A number of years ago, Ziegler began compiling a list of these incidents where senior living providers may have been impacted by flooding, fires or other emergency-related incidents. In some instances, these have been related to a natural disaster such as a hurricane or blizzard, but unexpected events have also occurred such as an outbreak of Legionnaire's disease, an extensive building fire causing resident displacement, or flooding from a burst pipe or faulty sprinkler system. Regardless of the extent of preparation, these situations can be incredibly taxing on an organization. It is for that reason that Ziegler compiled the list. It is intended to serve as a resource for providers who need to seek counsel from peers who have been through similar situations. What are key dos/don'ts with regard to relocating residents? How is overtime and compensation handled for staff during these times? What are best practices with engaging restoration specialists? What is the best way to work with insurance companies (both from the organization and personal policies of the residents)? Answers to these questions and many more are often shared through connecting with peers who have experienced emergency situations in the past.

Communication is also one of the highest priorities during an emergency. This includes internal communication with staff, residents and family members, and external communication with emergency responders (if needed) and other key parties. With significant events that materially impact the operations of the organization, it is also commonplace to issue a statement to investors if debt is outstanding. This may not be necessary for minor emergency issues, but would be prudent for sizeable emergencies as an element of ongoing disclosure. Timing, of course, would be to ensure the safety of all residents and staff first and then follow with a statement at the appropriate time. Ziegler can always serve as a point of guidance under such circumstances.

LeadingAge has provided a number of Emergency Preparedness tools and resources for members via their website as have a number of the state associations. Organizations are encouraged to revisit their plans on a regular basis to ensure that they align with current protocol and integrate lessons learned from others.

Again, we continue to keep the best interests of those along the Gulf Coast top of mind and encourage everyone to provide support if they can through LeadingAge, the American Red Cross, or other related avenues.

If you have any questions regarding the items in this article or anything else related to Ziegler, please reach out to the Ziegler banker in your region.

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**NOT-FOR-PROFIT SENIOR LIVING RATINGS ACTIONS**

AUGUST 22-28, 2017

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
General German Aged People's Home of Baltimore aka Edenwald (MD)	Fitch	BBB Stable	Affirmed Rating	8/25/17
Lenbrook Square (GA)	Fitch	BBB Stable	Affirmed Rating	8/25/17

*This ratings table represents review of the reports released by Fitch Ratings, Standard & Poor's, and Moody's Investors Service and has been compiled by Ziegler Investment Banking.*

**INTEREST RATES**

FOR THE WEEK ENDING AUGUST 25, 2017

	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	2.73%	2.77%	2.83%
Senior Living 30-Yr "A"	3.63%	3.67%	3.90%
Senior Living 30-Yr "BBB"	4.03%	4.17%	4.31%
Senior Living Unrated	4.63%	4.77%	4.94%
Senior Living New Campus	6.75%	6.75%	6.63%
SIFMA Muni Swap Index	0.77%	0.77%	0.73%

*Source: Ziegler Capital Markets*

**FEATURED FINANCINGS**

*Correction from previous Z-News*



**\$21,590,000**

Vermont Economic Development Authority, Mortgage Revenue Bonds (Fixed Rate), Series 2017A

**\$29,500,000**

Non-Bank Qualified Direct Purchase Bank Bonds, Series 2017B

**\$16,000,000**

Non-Bank Qualified Direct Purchase Bank Temporary Bonds, Series 2017C

**(\$14,580,000 Refunding / \$52,510,000 New Money)**

**WAKE ROBIN CORPORATION**

Shelburne, Vermont

## MARKET REVIEW

## MONEY MARKET RATES

	8/25/17	1 WEEK AGO	1 MONTH AGO	1 YEAR AGO
Prime Rate	4.25	4.25	4.25	3.50
Federal Funds (weekly average)	1.16	1.16	1.16	0.43
90 Day T-Bills	1.01	1.00	1.08	0.32
30-Day Commercial Paper (taxable)	1.10	1.07	1.09	0.37
Libor (30-day)	1.23	1.22	1.23	0.52
7 Day Tax-Exempt VRDB	0.78	0.77	0.82	0.56
Daily Rate Average	0.77	0.65	0.71	0.53

## COMPARATIVE YIELDS

TAXABLE REVENUE				TAX-EXEMPT REVENUE							
	GOVT	NR*	A		MMD	NR**	NR*	BB	BBB	A	AAA
1 Year	1.23	2.00	1.83	1 Year	0.78	2.03	2.19	1.93	1.53	1.23	1.03
5 Year	1.78	4.25	2.78	5 Year	1.14	2.64	3.09	2.54	2.14	1.79	1.54
7 Year	2.01	4.75	3.36	7 Year	1.45	3.20	3.54	3.05	2.65	2.25	2.05
10 Year	2.19	5.00	3.59	10 Year	1.88	3.78	4.13	3.68	3.18	2.78	2.48
30 Year	2.77	6.25	4.42	30 Year	2.73	4.63	4.85	4.53	4.03	3.63	3.33
				5 year ADJ RATE	4.25						

(\* Representative of recent non-rated issues underwritten by Ziegler retail sales); (\*\* Representative of institutional sales.)

## TAX-EXEMPT MARKET INDICATORS

	THIS WEEK	LAST WEEK	CHANGE	2017 HIGH	LOW
Bond Buyer					
20 Bond Index	3.53	3.57	-.04	4.02	3.50
11 Bond Index	3.04	3.08	-.04	3.53	3.01
Revenue Bond Index	3.74	3.78	-.04	4.17	3.70
30 Year MMD	2.73	2.77	-.04	3.24	2.71
Weekly Tax-Exempt Volume (Bil)	3.38	4.28	-.90	7.93	0.46
30 Day T/E Visible Supply (Bil)	6.23	3.74	-2.49	13.37	4.13
30 year "A" Rated Hospitals as a % of 30 Year Treasuries	131.04	132.49	-1.45	147.05%	120.39%

## INTEREST RATE COMPARISON

DATE	7-DAY T/E VRDB	PRIME RATE	FED FUNDS WEEKLY AVG.	13-WEEK		LIBOR (30-DAY)	30-YEAR		
				T-BILL RATE	C.P.RATE TAXABLE		T/E BONDS (A-AAA)		
08/25/17	0.78	4.25	1.16	1.01	1.10	1.23	3.63	-	3.33
08/18/17	0.77	4.25	1.16	0.99	1.07	1.22	3.67	-	3.37
08/11/17	0.78	4.25	1.16	1.03	1.11	1.22	3.63	-	3.33
08/04/17	0.79	4.25	1.14	1.07	1.12	1.23	3.61	-	3.31
07/28/17	0.82	4.25	1.16	1.08	1.09	1.23	3.64	-	3.34
07/21/17	0.82	4.25	1.16	1.15	1.10	1.22	3.71	-	3.31
07/14/17	0.83	4.25	1.16	1.01	1.12	1.22	3.83	-	3.43
07/07/17	0.86	4.25	1.16	1.03	1.08	1.22	3.82	-	3.42
06/30/17	0.91	4.25	1.13	0.99	0.90	1.22	3.79	-	3.39
06/23/17	0.87	4.25	1.16	0.96	1.09	1.21	3.69	-	3.29
06/16/17	0.81	4.25	1.01	1.01	1.11	1.17	3.70	-	3.30
06/09/17	0.74	4.00	0.91	1.00	1.01	1.09	3.69	-	3.29
06/02/17	0.76	4.00	0.89	0.95	0.86	1.08	3.75	-	3.35
05/05/17	0.85	4.00	0.91	0.88	0.83	0.99	4.08	-	3.63
04/07/17	0.88	4.00	0.90	0.81	0.86	0.98	4.09	-	3.59
03/03/17	0.62	3.75	0.64	0.69	0.65	0.83	4.26	-	3.76
02/03/17	0.65	3.75	0.64	0.49	0.61	0.78	4.35	-	3.55
01/06/17	0.68	3.75	0.62	0.51	0.62	0.76	4.40	-	3.55
12/02/16	0.56	3.50	0.38	0.47	0.50	0.62	4.80	-	3.85
11/04/16	0.56	3.50	0.38	0.37	0.40	0.53	3.55	-	2.85
10/07/16	0.87	3.50	0.40	0.31	0.39	0.52	3.30	-	2.75
09/02/16	0.56	3.50	0.38	0.32	0.39	0.52	2.75	-	2.40

Market and other data within this report derived from Bloomberg and other sources deemed to be reliable.