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HEALTH CARE FACILITIES

A U T H O R I T Y

Financing the Health Care Future

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Ronald K. Sperling

Executive Director
Donna A. Murr

Washington Health Care Facilities Authority

410 11th Avenue S.E., Suite 201

Olympia, WA 98504

Thursday, August 8, 2013 Minutes

A special meeting was held at the office of the Washington Health Care Facilities Authority, pursuant to Authority Board meeting notices mailed to all members of the Authority, and to all persons who requested such meeting notice, and those members of the media presently on the mailing list for receiving meeting notices of the Washington Health Care Facilities Authority.

Members Present:

Brad Owen, Lieutenant Governor/Member

David Schumacher, Governor's Designee/Member

AnnaLisa Gellermann, Insurance Commissioner's Designee/Member

John Wiesman, Secretary, Department of Health/Member

Ron Sperling, Public Member

Authority Staff Present:

Donna Murr, Executive Director

Shannon Govia, Assistant Executive Director

Ashlee Frye, Chief Financial and Compliance Officer

Lura Harrison, Executive Assistant and Office Manager

Others Present:

Dan Gottlieb, Authority Bond Counsel, Hillis Clark Martin & Peterson P.S.

Bryan Victor, Authority Bond Counsel, Orrick Herrington Sutcliffe LLP, by conference speakerphone

Jan Schorr, Financial Advisor, Melio & Co., by conference speakerphone

Beth Chevalier, Financial Advisor, Melio & Co., by conference speakerphone

Dawn Cortez, Authority Assistant Attorney General

Hermes Shahbazian, CFO, International Community Health Services, by conference speakerphone

Victoria Byerly, Attorney, Parr Byerly PLLC

Liz Tidyman, Private Citizen

Lieutenant Governor Brad Owen called the meeting to order at 2:30 p.m. after noting a quorum was present consisting of himself, David Schumacher, AnnaLisa Gellermann, John Wiesman and Ron Sperling.

Review, discussion and possible action regarding the Minutes of July 11, 2013.

After discussion and upon motion by Mr. Sperling and seconded by Ms. Gellermann, the minutes of the July 11, 2013 Authority meeting were unanimously approved.

Review, discussion and possible action regarding an amendment to the Application for Financial Assistance for International Community Health Services (ICHS).

Mr. Govia introduced Mr. Shahbazian who was present on the phone. He reviewed the details of the amendments to the application. ICHS is seeking an additional \$200,000 to cover costs of issuance for the bond issue. There are no other changes to the application.

After further discussion, without public comment and upon motion by Mr. Sperling and seconded by Mr. Wiesman, the amendment to the application for financial assistance for ICHS was accepted.

Review, discussion and possible action regarding the Authority's Arbitrage Rebate Consultant

Ms. Murr introduced Ms. Frye, who described the purpose of an arbitrage rebate consultant and why the Authority needs one. The Authority publishes a request for proposal (RFP) for such a consultant every three years. The Authority received six responses to the current RFP. A subcommittee consisting of Mr. Sperling, Mr. Govia and Ms. Frye reviewed the responses and, based on that review, recommends that the Authority retain Bond Logistix (BLX) as its arbitrage rebate consultant.

For the benefit of new Authority members, Ms. Murr explained in greater detail what arbitrage is and what an arbitrage rebate consultant does.

After further discussion, without public comment and upon motion by Mr. Sperling and seconded by Mr. Wiesman, the recommendation to retain BLX as the Authority's arbitrage rebate consultant was approved.

Review, discussion and possible action regarding the Authority's D&O Insurance Coverage

Ms. Murr presented the proposed Directors and Officers (D&O) liability insurance coverage policy and rates given to staff by the Authority's insurance brokers. The D&O policy must be renewed every year. The current Authority budget includes funds to cover the renewal premium. Ms. Gellermann assisted Ms. Murr in reviewing the proposed policy. Ms. Murr and Ms. Gellermann recommended confirmation of the selection of National Union Fire Insurance Company and Ironshore Indemnity Incorporated approval to renew the policy for another year.

After further discussion, without public comment and upon motion by Ms. Gellermann and seconded by Mr. Schumacher, the recommendation to confirm selection of a one year policy for Directors and Officers insurance coverage through National Union Fire Insurance Company and Ironshore Indemnity Incorporated was approved.

Executive Director's report:

Ms. Murr presented Mr. Wiesman with a framed picture of him signing his first minutes as secretary of the Authority. She reviewed the current financials and Monthly Dash Board which was distributed with the meeting materials. The number of applications in process is currently four.

Public Comment

Although not on the agenda, the Authority permitted Ms. Liz Tidyman, a public citizen not affiliated with any organization, to make a public comment to the Authority related to her concerns regarding two certificates of need granted in connection with a continuing care retirement community in Issaquah.

Adjournment:

There being no further business, the meeting was adjourned at 3:00 p.m.

John Wiesman, Secretary