



W A S H I N G T O N

HEALTH CARE FACILITIES

A U T H O R I T Y

Financing the Health Care Future

**Washington Health Care Facilities Authority
Special Board Meeting
410 11th Avenue S.E., Suite 201
Olympia, WA 98504
Thursday, July 20, 2017 Meeting Minutes**

Board Members

Governor
Jay Inslee
Chair

Governor's Designee
David Schumacher

Lieutenant Governor
Cyrus Habib

Insurance Commissioner
Mike Kreidler

Insurance Commissioner's
Designee
AnnaLisa Gellermann

Secretary
Department of Health
John Wiesman

Public Member
Steven R. Jacobs

Executive Director
Donna A. Murr

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

Members Present:

David Schumacher, Governor's Designee, Member/Chair
Lieutenant Governor Cyrus Habib, Member, by conference speakerphone
Steven Jacobs, Public Member, by conference speakerphone

Authority Staff Present:

Donna Murr, Executive Director
Shannon Govia, Assistant Executive Director
Danni Miller, Executive Assistant/Office Manager

Others Present:

Matt Swafford, Authority Financial Advisor, Melio & Company, by conference speakerphone
Raul Ardelean, Authority Financial Advisor, Melio & Company, by conference speakerphone
Rusty Fallis, Authority Assistant Attorney General
Dan Gottlieb, Authority Bond Counsel, Hillis Clark Martin & Peterson, by conference speakerphone
Libby Hollingshead, Deputy Chief of Staff, Office of Lieutenant Governor Cyrus Habib, by conference speakerphone
Scott Boyd, Chief Financial Officer, Planned Parenthood of the Great Northwest and Hawaiian Islands, by conference speakerphone
Kendall Hansen, Key Government Finance, by conference speakerphone

Mr. Schumacher called the meeting to order at 11:15 a.m. after noting a quorum was present consisting of himself, Lt. Governor Habib, and Mr. Steve Jacobs.

Review, discussion and possible action regarding the Minutes of June 8, 2017.

After discussion and upon motion by Mr. Jacobs and seconded by Lt. Governor Habib, the minutes of the June 8, 2017 Authority meeting were unanimously accepted by roll call vote.

Review, discussion and possible action regarding the acceptance of an application for financial assistance submitted by Planned Parenthood of the Great Northwest and Hawaiian Islands (Planned Parenthood).

Mr. Govia summarized the application for financial assistance submitted by Planned Parenthood. Planned Parenthood provides a full range of family planning services for women and men. Planned Parenthood is applying for a loan in the amount of \$4,800,000. Proceeds of the loan will be used to refinance a prior loan used for the purchase and renovation of a health center and administrative space in Tacoma, WA; purchase a new security system to be installed in all of the Planned Parenthood health centers and administrative buildings located in Washington State; upgrade and replace IT systems; and fund other capital projects. This financing will be structured as a direct placement and the lender is Key Government Finance ("KGF"). The primary security for the loan will be a deed of trust. Feasibility will be determined by the lender. A TEFRA hearing will be scheduled. There are no Certificate of Need issues per Planned Parenthood and the Department of Health. The interest rate will be fixed and is estimated at 3.29%. The loan will have a ten year initial term with a twenty year maturity. It is anticipated by Planned Parenthood that it will save approximately \$550,000 in interest costs over traditional taxable interest rate financing over the initial term of the loan with a net savings of \$1,100,000 over the twenty year amortization. The savings will be passed through to patients via a fee schedule for services with discounts based upon patient income as well as no cost supplies offered to qualifying patients.

Mr. Govia also explained that this issuance is part of a larger plan of finance, which includes a concurrent financing through the Idaho Health Facilities Authority in the amount of \$1,200,000. The Idaho loan will be used to refinance debt that was initially incurred for the purchase and building of a health center and administrative space in Meridian, Idaho.

Based on its review of the application, bond counsel has determined that the borrower and the project are eligible for financing under the Authority's statute, but such determination is subject to bond counsel's due diligence review. Mr. Govia urged the Authority's acceptance of the application.

Mr. Govia introduced Scott Boyd from Planned Parenthood and Kendall Hansen from KGF. Mr. Boyd then provided a brief summary of services provided by Planned Parenthood.

In response to Mr. Jacobs' inquiry regarding the length of the borrowing compared to the estimated useful life calculation of the assets being financed, Mr. Hansen stated that most of the specific components are considered facility improvements and are attached to the useful life of the buildings which is currently estimated at 15 to 20 years or more.

Mr. Jacobs then requested confirmation that issuance costs were not included within the requested \$4.8 million loan. Mr. Hansen responded that issuance costs were not part of Planned Parenthood's request to KGF but could be included in the financing if necessary.

There being no further discussion, no member of the public requesting the opportunity to comment, and upon motion by Lt. Governor Habib, seconded by Mr. Jacobs, the application for financial assistance submitted by Planned Parenthood was unanimously accepted by roll call vote.

Executive Director's Report.

Due to time constraints, the presentation of the Executive Director's report was postponed until the next Authority Board Meeting.

Adjournment:

There being no further business, the meeting was adjourned at 11:26 am.

John Wiesman, Secretary