



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

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David Schumacher

Lieutenant Governor
Cyrus Habib

Insurance Commissioner
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Toni Hood

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Department of Health
John Wiesman

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Steven R. Jacobs

Executive Director
Donna A. Murr

**Washington Health Care Facilities Authority
Special Board Meeting
410 11th Avenue S.E., Suite 201
Olympia, WA 98504
Friday, March 15, 2019 Meeting Minutes**

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
Cyrus Habib, Lieutenant Governor, Member, by conference speakerphone
Toni Hood, Insurance Commissioner's Designee, Member

Authority Staff Present:

Donna Murr, Executive Director
Shannon Govia, Assistant Executive Director and Program Manager
Ashlee Frye, Assistant Executive Director and Chief Financial Officer
Danni Miller, Executive Assistant

Others Present:

Rusty Fallis, Authority Assistant Attorney General
Dan Gottlieb, Authority Bond Counsel, Hillis Clark Martin & Peterson P.S.
Christi Jacobsen, Authority Bond Counsel, Hillis Clark Martin & Peterson P.S., by conference speakerphone
Raul Ardelean, Authority Financial Advisor, Melio & Company, by conference speakerphone
Matt Swafford, Authority Financial Advisor, Melio & Company, by conference speakerphone
Libby Hollingshead, Deputy Chief of Staff, Office of Lt. Governor Cyrus Habib, by conference speakerphone
Catrina Kohn, Authority Bond Counsel, Squire Patton Boggs (US) LLP, by conference speakerphone
Amanda Barta, CFO, Moses Lake Community Health Center, by conference speakerphone
Paul Kaschmitter, CFO, Community Health of Central Washington, by conference speakerphone
Steve Ghiglione, CFO, Comprehensive Healthcare, by conference speakerphone
Kendall Hansen, Key Government Finance, by conference speakerphone

Mr. Schumacher called the meeting to order at 11:02 a.m. after noting a quorum was present consisting of himself, Lieutenant Governor Habib, and Ms. Toni Hood.

Review, discussion and possible action regarding the Minutes from the November 8, 2018 Authority Board Meeting.

After discussion and upon motion by Ms. Hood and seconded by Mr. Schumacher, the minutes of the November 8, 2018 Authority meeting were unanimously accepted.

Review, discussion and possible action regarding the adoption of Resolution No. 2019-01 approving the application for financial assistance and authorizing the issuance and sale of a bond for Moses Lake Community Health Center (MLCHC).

Mr. Govia summarized Resolution No. 2019-01, which, if adopted, would approve the application for financial assistance submitted by MLCHC and authorize the issuance and sale of a bond in the principal amount of not-to-exceed \$11,775,000. Proceeds of the loan will be used to add an additional 18,000 sq. ft. as well as completely remodel the existing 40,000 sq. ft. of their Moses Lake facility. This will expand dental capacity and increase medical capacity.

The financing will be structured as a Quick Loan - private placement and the lender is Washington Trust Bank. The primary bondholder security is a deed of trust on the financed property. Feasibility has been determined by the lender. A TEFRA hearing was held on February 27, 2019, at which no individuals testified for or against the project. There are no Certificate of Need issues per the Department of Health. The interest rate is fixed at 4.49% for the initial 10-year term. The loan will have a 25-year amortization. The depository bank is Washington Trust Bank. It is anticipated by MLCHC that it will save approximately \$1,336,224 over the life of the loan based on current estimated taxable interest rates versus tax-exempt interest rates.

Mr. Govia introduced Ms. Kohn, serving as the Authority's bond counsel for this transaction. Ms. Kohn summarized the documents presented for approval and indicated that they are all in good order. Based on the determinations that are required by Authority WACs, the due diligence investigation conducted by Squire Patton Boggs (US) LLP, as well as the information in the application, Mr. Govia urged the adoption of Resolution No. 2019-01 for the benefit of MLCHC.

Mr. Govia introduced Ms. Barta who provided a brief summary of how the project started and the impact of the tax-exempt savings.

There being no further discussion, no member of the public requesting the opportunity to comment and upon motion by Ms. Hood, seconded by Mr. Schumacher, Resolution No. 2019-01 was unanimously adopted.

Review, discussion and possible action regarding the application for financial assistance submitted by Community Health of Central Washington (CHCW).

Mr. Govia summarized the application for financial assistance submitted by CHCW. CHCW is a Community/Migrant/Teaching Health Center that provides medical, dental, behavioral health, pharmacy, and enabling services for underserved and underinsured patients served in six clinics in Kittitas and Yakima Counties. CHCW also provides primary care services as well as dental services in ten long-term care facilities in Yakima County and in two facilities in Kittitas County.

CHCW is applying for a loan in the amount of \$4,000,000. Proceeds of the loan will be used to finance the acquisition, remodeling, and equipping of a facility in Yakima, and to pay costs of issuance. The facility will be utilized to provide additional space for support staff, population health, Connect, Information System technology, a centralized call center and patient accounts team. The financing will be structured as a Quick Loan – private placement and the lender is Key Government Finance, Inc. The primary security for the loan will be a deed of trust on the property to be financed. Feasibility has been determined by the lender. There are no Certificate of Need issues per the Department of Health. A TEFRA hearing will be scheduled. The interest rate is estimated at 3.89% with an initial loan term of 10 years. The depository bank is to be determined. It is anticipated by CHCW that it will save approximately \$247,053 over the life of the loan based on current estimated taxable interest rates versus tax-exempt interest rates.

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 further due diligence. Mr. Govia urged the Authority's acceptance of this application.

Mr. Govia introduced Mr. Kaschmitter from CHCW, who provided a brief summary of the structure of CHCW as well as the services provided.

Lieutenant Governor Habib congratulated CHCW on the growth of the health center and its remarkable ability to serve a vulnerable population.

There being no further discussion, no member of the public requesting the opportunity to comment and upon motion by Ms. Hood, seconded by Mr. Schumacher, the application for financial assistance submitted by Community Health of Central Washington was unanimously accepted.

Review, discussion and possible action regarding the application for financial assistance submitted by Comprehensive Healthcare.

Mr. Govia summarized the application for financial assistance submitted by Comprehensive Healthcare. Comprehensive Healthcare provides a wide range of outpatient and residential mental health, chemical dependency, domestic violence and other related services in Benton-Franklin, Kittitas, Walla Walla and Yakima counties.

Comprehensive Healthcare is applying for a loan in the amount of \$4,000,000. Proceeds of the loan will be used to refinance the outstanding WHCFA Series 2008 and Series 2013 Bonds. The financing will be structured as a Quick Loan – private placement and the lender is U.S. Bank National

Association. The primary security for the loan will be a deed of trust. Feasibility has been determined by the lender. There are no Certificate of Need issues per the Department of Health. A TEFRA hearing will be scheduled. The interest rate is estimated at 3.73% with an initial term of 10 years and a 15-year maturity. The depository bank is U.S. Bank National Association. It is anticipated by Comprehensive Healthcare that it will save approximately \$125,000 over the life of the loan based on current estimated taxable interest rates versus tax-exempt interest rates.

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 further due diligence. Mr. Govia urged the Authority's acceptance of this application.

Mr. Govia introduced Mr. Ghiglione from Comprehensive Healthcare who provided a brief summary of the structure of Comprehensive Healthcare as well as the services provided.

There being no further discussion, no member of the public requesting the opportunity to comment and upon motion by Ms. Hood, seconded by Mr. Schumacher, the application for financial assistance submitted by Comprehensive Healthcare was unanimously accepted.

Review, discussion and possible action regarding the Proposed Authority Meeting Dates for 2019.

Ms. Murr presented the proposed meeting dates for the remainder of 2019. A motion was not necessary for acceptance.

Executive Director's Report.

Ms. Murr reviewed the Executive Director's Report presented in the board materials including the status of Authority financings, financial statements, status report and debt service report.

Adjournment:

There being no further business, the meeting was adjourned at 11:34 a.m.

John Wiesman, Secretary