



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, September 12, 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
Toni Hood, Insurance Commissioner's Designee, Member
John Wiesman, Secretary of Health, by conference speakerphone
Steve Jacobs, Public 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
Christi Jacobsen, Authority Bond Counsel, Hillis Clark Martin & Peterson P.S.
Bryan Victor, Authority Bond Counsel, Orrick Herrington & Sutcliffe LLP, by conference speakerphone
Raul Ardelean, Authority Financial Advisor, Melio & Company, by conference speakerphone
Shekh Ali, Valley Cities Counseling and Consultation

Mr. Schumacher called the meeting to order at 12:58 p.m. after noting a quorum was present consisting of himself, Ms. Hood and Mr. Jacobs. Mr. Wiesman joined the meeting at 1:14 p.m. by conference speakerphone.

Review, discussion and possible action regarding the Minutes from the August 16, 2019 Authority Board Meeting.

Board Members

Governor
Jay Inslee
Chair

Governor's Designee
David Schumacher

Lieutenant Governor
Cyrus Habib

Insurance Commissioner
Mike Kreidler

Insurance Commissioner's
Designee
Toni Hood

Secretary
Department of Health
John Wiesman

Public Member
Steven R. Jacobs

Executive Director
Donna A. Murr

Upon motion by Mr. Jacobs and seconded by Ms. Hood, the minutes of the August 16, 2019 Authority meeting were unanimously accepted.

Review, discussion and possible action regarding the adoption of Resolution No. 2019-07 approving the application for financial assistance and authorizing the issuance and sale of a bond for Valley Cities Counseling and Consultation (VCCC).

Mr. Govia summarized Resolution No. 2019-07, which if adopted would approve the application for financial assistance submitted by VCCC and authorize the issuance and sale of a bond in the principal amount of \$10,080,000. Proceeds of the loan will be used to refinance a Bank of America, N.A. credit line, Housing Finance Commission loan, Rainier Community Development Funds loan, WHCFA Series 2009 Bond, and to pay costs of issuance.

The financing will be structured as a Quick Loan – private placement and the lender is Bank of America, N.A.. The primary bondholder security is a deed of trust. Feasibility has been determined by the lender. A TEFRA hearing was held on August 16, 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 set at 3.10%. Loan term has a 10 year maturity with a 20 year amortization. The depository bank is U.S. Bank National Association. It is anticipated by VCCC that it will save approximately \$819,111 in interest costs over traditional taxable interest rate financing over the term of the loan.

Mr. Govia introduced Ms. Jacobsen from Hillis Clark Martin & Peterson P.S., serving as the Authority's bond counsel for this transaction. Ms. Jacobsen 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 bond counsel, as well as the information in the application, Mr. Govia urged adoption of Resolution No. 2019-07 for the benefit of VCCC.

Mr. Govia introduced Mr. Ali who provided a brief summary of the structure of VCCC as well as the services provided.

In response to Mr. Jacobs' inquiry regarding whether the WHCFA Series 2009 bond has a call date prior to maturity and whether a pre-payment penalty would be applied if the transaction is completed prior to the October 15, 2019 maturity, Mr. Ali stated that he was not aware of a call date prior to maturity and confirmed that Bank of America has agreed to waive the pre-payment penalty on the WHCFA Series 2009 bond.

There being no further discussion, no member of the public requesting the opportunity to comment and upon motion by Mr. Jacobs, seconded by Ms. Hood, Resolution No. 2019-07 was unanimously adopted.

Review, discussion and possible action regarding the ratification of the Authority's D&O Liability Insurance Coverage annual renewal.

A motion is necessary to affirm the renewal coverage provided by National Union Fire Insurance Co. and Market American Insurance Company for the Authority's public officials and employment practices liability insurance for a one-year term. Ms. Hood previously reviewed the renewal information and supports the recommendation to affirm the renewal as presented.

There being no further discussion, no member of the public requesting the opportunity to comment and upon motion by Mr. Jacobs, seconded by Ms. Hood, the renewal of the Authority's D&O Liability Insurance Coverage was ratified unanimously by roll call vote.

Review, discussion and possible action regarding Authority WACs and Rulemaking Activities.

A motion is necessary to approve the Authority moving forward with a thorough review of the current rules with legal counsel and advisors and the filing of the requisite form CR101 – Proposal Statement of Inquiry with the Code Reviser.

There being no further discussion, no member of the public requesting the opportunity to comment and upon motion by Mr. Jacobs, seconded by Ms. Hood, the filing of form CR101 and the review of the Authority's rules with legal counsel and advisors was approved unanimously by roll call vote.

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 1:22 pm.

John Wiesman, Secretary