



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, April 11, 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
John Wiesman, Secretary of Health, Member, 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
Dan Gottlieb, Authority Bond Counsel, Hillis Clark Martin & Peterson P.S.
Christi Jacobsen, Authority Bond Counsel, Hillis Clark Martin & Peterson P.S.
Raul Ardelean, Authority Financial Advisor, Melio & Company, by conference speakerphone
Matt Swafford, Authority Financial Advisor, Melio & Company, by conference speakerphone
Jodi Daly, Chief Executive Officer, Comprehensive Healthcare
Steve Ghiglione, CFO, Comprehensive Healthcare
Gregory Knoebel, U.S. Bank National Association (Purchaser)

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

Mr. Schumacher called the meeting to order at 1:03 p.m. after noting a quorum was present consisting of himself, Mr. Jacobs and Mr. Wiesman.

Review, discussion and possible action regarding the Minutes from the March 15, 2019 Authority Board Meeting.

After discussion and upon motion by Mr. Jacobs and seconded by Mr. Schumacher, the minutes of the March 15, 2019 Authority meeting were unanimously accepted.

Review, discussion and possible action regarding the adoption of Resolution No. 2019-02 approving the application for financial assistance and authorizing the issuance and sale of a bond for Comprehensive Healthcare.

Mr. Govia summarized Resolution No. 2019-02, which, if adopted, would approve the application for financial assistance submitted by Comprehensive Healthcare and authorize the issuance and sale of a bond in the principal amount of not-to-exceed \$ 4,000,000. Proceeds of the loan will be used to refinance the outstanding WHCFA Series 2008 and Series 2013 Bonds and to pay a portion of issuance costs.

The financing will be structured as a Quick Loan - private placement and the lender is U.S. Bank National Association. The primary bondholder security is a deed of trust. Feasibility has been determined by the lender. A TEFRA hearing was held on April 4, 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 will be 3.7% for the 10-year term of the Bond. The loan will amortized over 15-years, with all remaining principal payable at maturity. The depository bank is U.S. Bank National Association. It is anticipated by Comprehensive Healthcare that it will save approximately \$125,000 in interest costs over the life of the loan based on current estimated taxable interest rates versus tax-exempt interest rates.

Mr. Govia introduced Mr. Gottlieb, serving as the Authority's bond counsel for this transaction. Mr. Gottlieb 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 Hillis Clark Martin & Peterson P.S., as well as the information in the application, Mr. Govia urged the adoption of Resolution No. 2019-02 for the benefit of Comprehensive Healthcare.

Mr. Govia introduced Ms. Daly and Mr. Ghiglione who provided a brief summary of the project 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 Mr. Jacobs, seconded by Mr. Wiesman, Resolution No. 2019-02 was unanimously adopted.

Municipal Market Update presented by Melio & Company

Matt Swafford with Melio & Co., financial advisor to the Authority, presented an update on the current state of the municipal debt market. He discussed supply and demand dynamics post tax reform with the elimination of advance refunding and the reduction of the corporate tax rate; current trends related to market supply and demand; debt mix choices in the current market as a result of the flattened yield curve; and touched on the ICE LIBOR transition.

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 1:39 p.m.

John Wiesman, Secretary