



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, Washington 98504
Thursday, February 23, 2023 Meeting Minutes**

A special meeting was held at the offices 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, by conference speakerphone
Charles Malone, Insurance Commissioner's Designee, Member
Dr. Umair Shah, Secretary of Health, Member, by conference speakerphone
Steve Jacobs, Public Member, by conference speakerphone

Authority Staff Present:

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

Others Present:

Stacia Hollar, Authority Assistant Attorney General, by conference speakerphone
Christi Jacobsen, Authority Bond Counsel, Hillis Clark Martin & Peterson P.S., by conference speakerphone
Dan Gottlieb, Authority Bond Counsel, Hillis Clark Martin & Peterson P.S.
Robyn Helmlinger, Authority Bond Counsel, Orrick Herrington & Sutcliffe LLP, by conference speakerphone
Bryan Victor, Authority Bond Counsel, Orrick Herrington & Sutcliffe LLP, by conference speakerphone
Jessica Grimm, Authority Bond Counsel, Orrick Herrington & Sutcliffe LLP, by conference speakerphone
Raul Ardelean, Authority Financial Advisor, Melio & Company, by conference speakerphone
Florien Bouwmeester, Authority Financial Advisor, Melio & Company, by conference speakerphone
Mark Melio, Authority Financial Advisor, Melio & Company, by conference speakerphone
Becky Hammill, CEO, Passages Family Support, by conference speakerphone

Board Members

Governor
Jay Inslee
Chair

Governor's Designee
David Schumacher

Lieutenant Governor
Denny Heck

Insurance Commissioner
Mike Kreidler

Insurance Commissioner's
Designee
Charles Malone

Secretary
Department of Health
Umair A. Shah

Public Member
Steven R. Jacobs

Executive Director
Donna A. Murr

Teresa Sherman, Borrower's Counsel, Passages Family Support, by conference speakerphone
Kim Lloyd, Washington Trust Bank, by conference speakerphone
Joyce Sinakhone, SEIU, by conference speakerphone

Mr. Schumacher called the meeting to order at 1:04 p.m. after noting a quorum was present consisting of himself, Mr. Malone, Dr. Shah and Mr. Jacobs.

Review, discussion and possible action regarding the Minutes from the December 8, 2022 Authority Board Meeting.

Upon motion by Mr. Jacobs and seconded by Mr. Malone, the minutes of the December 8, 2022 Authority meeting were accepted by a roll call vote of 4-0.

Review, discussion and possible action regarding the adoption of Resolution No. 2023-01 approving the application for financial assistance and authorizing the issuance and sale of a bond for the benefit of Passages Family Support (Passages).

Mr. Govia summarized Resolution No. 2023-01 which, if adopted, would approve the application for financial assistance submitted by Passages and authorize the issuance and sale of a bond in the principal amount of not-to-exceed \$6,900,000. The proceeds of the loan will be used to refinance a taxable loan that was used to purchase Passages' outpatient and administrative services building, which was previously leased.

The financing will be structured as a Quick Loan-Private Placement and the lender is Washington Trust Bank. The primary security is a deed of trust. There are no Certificate of Need issues per the Department of Health. Feasibility is determined by the lender. A TEFRA hearing was held on February 2, 2023 at which no individuals testified for or against the project. The interest rate is fixed at 3.87% with a loan term of 10-years and a 25-year amortization. The depository bank is Washington Trust Bank. Passages anticipates a savings of approximately \$341,669 in interest costs over traditional taxable interest rate financing over the term of the loan.

Mr. Govia introduced Ms. Grimm from Orrick Herrington & Sutcliffe LLP, serving as Authority's bond counsel for this transaction. Ms. Grimm summarized the documents presented for approval and indicated that they are all in good order. Based on the determinations that are required by the Authority's WACs, the due diligence investigation conducted by bond counsel, as well as the information in the application, Mr. Govia urged adoption of Resolution No. 2023-01 for the benefit of Passages.

Mr. Govia introduced Ms. Hammill, CEO of Passages, who thanked the Authority for its support.

There being no further discussion, upon motion by Mr. Jacobs, seconded by Mr. Malone, Resolution No. 2023-01 was adopted by a 4-0 roll call vote.

Review, discussion and possible action regarding the Accountability Audit Report No. 1031788 of the Washington Health Care Facilities Authority.

Ms. Murr introduced the State Auditor's Office Accountability Audit Report No. 1031788, which covered the period from July 1, 2017 through June 30, 2021. The scope of the audit was to examine the Authority's uses of public resources, compliance with state laws and regulations and its own policies and procedures as well as internal controls that are in place over such matters. The audit results indicated that the Authority complied with all applicable state laws and regulations, its own policies and procedures and has adequate internal controls for safeguarding of public resources. Ms. Frye was congratulated on a job well done. No action was required from the Authority board pertaining to this report.

Executive Director's Report

Ms. Murr provided an overview of 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 1:19 p.m.

Steve Jacobs, Secretary