



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

Board Members

Governor

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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

**Washington Health Care Facilities Authority
Special Board Meeting
410 11th Avenue S.E., Suite 201
Olympia, Washington 98504
Thursday, May 16, 2024 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
Lieutenant Governor Denny Heck, Member, by conference speakerphone
Charles Malone, Insurance Commissioner's Designee, Member, by conference speakerphone
Umair Shah, Secretary of Health, Member, by conference speakerphone
Steve Jacobs, Public Member, by conference speakerphone

Authority Staff Present:

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

Others Present:

Scott Forbes, 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., by conference speakerphone
Robyn Helmlinger, Authority Bond Counsel, Orrick Herrington & Sutcliffe LLP, by conference speakerphone
Bryan Victor, Authority Bond Counsel, Orrick Herrington & Sutcliffe LLP, by conference speakerphone
Raul Ardelean, Financial Advisor, PFM Financial Advisors LLC, by conference speakerphone
Todd Mountin, Department of Health, by conference speakerphone

Mr. Schumacher called the meeting to order at 2:01 p.m. after noting a quorum was present consisting of himself, Lt. Governor Heck, Mr. Malone, Dr. Shah and Mr. Jacobs.

Review, discussion and possible action regarding the Minutes from the April 25, 2024 Authority Board Meeting.

Upon motion by Mr. Jacobs and seconded by Lieutenant Governor Heck, the minutes of the April 25, 2024 Authority meeting were unanimously accepted.

Review, discussion and possible action regarding Authority FY24 Fund Balance and Annual Charges for FY25.

When the Authority budget was adopted last year, it was agreed that the Authority would review the FY24 fund balances and determine whether or not annual charges for FY25 should be adjusted. The analysis has been completed and the Authority has determined it is feasible to reduce the fee structure for FY25. The recommendation is to decrease annual charges from 2.5 basis points to 2 basis points.

Authority reserves will continue to be maintained as follows:

- Insurance/Legal Contingency Reserve is set at .03% of the outstanding principal of the loans as of March 31st of each year and is to cover the deductible on the D&O insurance policy and the general liability insurance policy, plus the cost of litigating any suit brought against the Authority prior to payment by the D&O provider;
- Special Assistance Reserve is comprised of the interest earnings on Authority investments. These funds are used to assist non-hospital clients in pay for the costs of bond issuances. The Authority will pay half of bond counsel charges on certain small non-hospital bond issuances;
- Operational Reserve equal to one times agency expenditures and is intended to cover Authority costs in the event that business falls off for a period of time.

Mr. Malone asked whether the FY 2025 budget would be sufficient to cover any increased cost of future IT systems and services. Ms. Murr indicated that because any future and unanticipated increases in IT services are unknown, it is hard to determine at this time. Mr. Jacobs indicated there are some funds budgeted for uncategorized expenses that could be utilized, however it may not cover potential increases. The current budget for IT services is based on known factors and included in our MOU with our IT provider.

Upon motion by Lieutenant Governor Heck and seconded by Mr. Malone, the recommendation to accept the FY25 budget and decrease annual charges to 2 basis points was unanimously accepted.

Adjournment:

There being no further business, the meeting was adjourned at 2:16 p.m.

Steve Jacobs, Secretary