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HEALTH CARE FACILITIES

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Financing the Health Care Future

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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, June 13, 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:

Charles Malone, Insurance Commissioner's Designee, Member, Chair, by conference speakerphone

Lieutenant Governor Denny Heck, 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

Shannon Govia, Assistant Executive Director and Program Manager

Ashlee Frye, Assistant Executive Director and Chief Financial Officer

Danni Miller, Operations Director

Others Present:

Sharon James, 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., 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

Jessica Grimm, Authority Bond Counsel, Orrick Herrington & Sutcliffe LLP, by conference speakerphone

Raul Ardelean, Financial Advisor, PFM Financial Advisors LLC, by conference speakerphone

Hermes Shahbazian, Chief Financial Officer, International Community Health Services, by conference speakerphone

John Self, Wells Fargo Bank, National Association, by conference speakerphone
Mark Stasiowski, Wells Fargo Bank, National Association, by conference speakerphone
Jeff Luu, Wells Fargo Bank, National Association, by conference speakerphone

Mr. Malone called the meeting to order at 3:05 p.m. after noting a quorum was present consisting of himself, Lt. Governor Heck, Dr. Shah and Mr. Jacobs.

Review, discussion and possible action regarding the Minutes from the May 16, 2024 Authority Board Meeting.

Upon motion by Mr. Jacobs and seconded by Lieutenant Governor Heck, the minutes of the May 16, 2024 Authority meeting were accepted by a roll call vote of 4-0.

Review, discussion and possible action regarding the adoption of Resolution No. 2024-02 approving the application for financial assistance and authorizing the issuance and sale of a bond for the benefit of International Community Health Services (ICHS).

Mr. Govia summarized Resolution No. 2024-02 which, if adopted would approve the application for financial assistance submitted by ICHS and authorize the issuance and sale of a bond in a principal amount not-to-exceed \$17,000,000. The proceeds of the loan will be used to refinance the WHCFA Series 2013 Bond, finance tenant improvements for a new senior care facility in South Seattle, and to pay issuance costs.

The financing will be structured as a Quick Loan - Private Placement and the lender is Wells Fargo Bank, National Association. The primary security is a deed of trust. There are no Certificate of Need issues per the Department of Health. Feasibility has been determined by the lender. A TEFRA hearing was held on June 6, 2024 at which no individuals testified for or against the project. The interest rate is fixed at 4.9%. The loan has a 10 initial term with up to a 20-year amortization. The depository bank is ComputerShare Trust Company, National Association. ICHS anticipated a savings of approximately \$1,268,389 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. 2024-02 for the benefit of ICHS.

Mr. Govia introduced Mr. Shahbazian, CFO of ICHS, who thanked the Authority for its continued support.

In response to Mr. Jacobs's inquiry regarding the correct maturity date of the bond, it was confirmed by Bond Counsel as well as by Mr. Self from Wells Fargo, National Association that the expected maturity date is July 1, 2054. Mr. Victor from Orrick Herrington & Sutcliffe LLP

stated that corrections to the maturity date will be made to the form of Resolution No. 2024-02 and the corrected document will be submitted to the Authority.

There being no further discussion, upon motion by Mr. Jacobs, seconded by Lieutenant Governor Heck, Resolution No. 2024-02, which will include the corrected maturity date of July 1, 2054, was adopted by a 4-0 roll call vote.

Review, discussion and possible action regarding the selection of the Authority auditor.

Ms. Frye summarized the process undertaken to request proposals from firms to serve as the Authority's outside auditor. The Authority retains an outside auditor to audit the Authority's financial records each year. Every four years the Authority conducts a Request for Proposal (RFP) for these services. The Authority received two responses to the current RFP. The proposals were reviewed by a committee consisting of Mr. Jacobs, Mr. Govia and Ms. Frye. The committee evaluated each proposal independently and met to discuss the merits of each proposal. The review committee recommended that the Authority retain Hellam Veron & Co. Inc. P.S. (Hellam Veron) as the Authority's outside auditor.

There being no further discussion, upon motion by Lieutenant Governor Heck, seconded by Mr. Jacobs, the recommendation to retain Hellam Veron as the Authority's outside auditor was accepted by a 4-0 roll call vote.

Review, discussion and possible action regarding the selection of the Authority arbitrage rebate consultant.

Ms. Frye summarized the process undertaken to request proposals from firms to serve as the Authority's arbitrage rebate consultant. The Authority retains an arbitrage rebate consultant to perform arbitrage rebate calculations for bond issues that do not involve a trustee who typically would be responsible for ensuring compliance. Every three years the Authority conducts a Request for Proposal (RFP) for these services. The Authority received two responses to the current RFP. The proposals were reviewed by a committee consisting of Mr. Jacobs, Mr. Govia and Ms. Frye. The committee evaluated each proposal independently and met to discuss the merits of each proposal. The review committee recommended that the Authority retain Bond Logistics Group LLC (BLX) as its arbitrage rebate consultant.

There being no further discussion, upon motion by Mr. Jacobs, seconded by Lieutenant Governor Heck, the recommendation to retain BLX as the Authority's arbitrage rebate consultant was accepted by a 4-0 roll call vote.

Adjournment:

There being no further business, the meeting was adjourned at 3:28 p.m.

Steve Jacobs, Secretary