

Washington Higher Education Facilities Authority

MINUTES

March 11, 2024

Dr. Gene Sharratt, Board Secretary, called the special meeting of the Authority to order at 11:03 a.m.

Including Dr. Sharratt, other Board members present via Zoom were Lt. Governor Denny Heck, Mr. Mike Meotti, and Mr. Allan Belton.

Authority staff present were Mr. Steve Walker, Executive Director; Ms. Carol Johnson, Assistant Director; Mr. Lucas Loranger, Senior Finance Director; and Ms. Rona Monillas, Program Coordinator.

Also present were Ms. Faith Pettis and Mr. Jon Jurich of Pacifica Law Group, the Authority's bond counsel; and Ms. Christi Jacobsen of Hillis Clark Martin & Peterson, Whitman College's legal counsel.

Also present via Zoom were Mr. Jeff Hamrick, Vice President for Finance and Administration, Whitman College; Mr. Thomas Toepfer of PFM Financial Advisors; Mr. Kevin Smith of Eide Bailly; and Ms. Terri Standish-Kuon, President & CEO, Independent Colleges of Washington

Introductions and Acknowledgments

Mr. Steve Walker congratulated Mr. Lucas Loranger on being selected to be the new Senior Director of Finance. He also announced the appointment of Ms. Nashika Stanbro as the new DEI Director for the Commission.

Approval of the Minutes

The minutes of the July 25, 2023, special meeting minutes were approved as mailed.

**Election of Secretary
and Treasurer**

Dr. Sharratt introduced Ms. Johnson to discuss the election of Board Secretary and Treasurer.

Ms. Johnson stated that each year the Board elects a Secretary and a Treasurer. She noted that in the past year, Dr. Sharratt served as Secretary and Mr. Belton served as Treasurer.

She stated that Mr. Belton agreed to take on the role of Secretary and Mr. Meotti agreed to take on the role of Treasurer if the Board nominates and elects them.

Lt. Governor Heck made the motion to elect Mr. Belton as Secretary and Mr. Meotti as Treasurer. The motion was seconded by Dr. Sharratt. The motion was approved unanimously, 4-0.

**Action Item:
Approval of
Resolution #24-01
for Whitman College**

Dr. Sharratt introduced Ms. Johnson to present the staff recommendation for approval of Resolution No. 24-01.

Ms. Johnson stated that the board is being asked to approve the proposed issuance of tax-exempt revenue bonds for Whitman College in an amount not to exceed \$40 million.

Ms. Johnson gave a summary of the transaction and said that a public hearing was held on February 23, 2024. The transaction is set to close on April 2, 2024.

Mr. Hamrick provided additional information about the project and talked about the benefits the College and the local community will get from this transaction.

Lt. Governor Heck asked how the project would address the housing supply issues in the community, and whether Walla Walla is experiencing similar housing shortages observed in other parts of the state and the nation. Mr. Hamrick elaborated on the project's anticipated impact on the housing supply issues in the community. He also expanded on the housing rental challenges specifically present in Walla Walla.

Lt. Governor Heck inquired whether there was data available supporting demand from students to reside on campus. Mr. Hamrick stated that their architectural firm provided anecdotal evidence regarding the demand for on-campus housing among students. He emphasized that their housing lottery serves as compelling evidence of the necessity for additional campus rental units. Furthermore, he outlined their strategy for managing any potential surplus of rental units.

Ms. Standish-Kuon added that some of their member campuses are looking specifically at student housing, recognizing its positive impact not only on their students but also on surrounding communities.

Dr. Sharratt asked for a motion to approve Resolution No. 24-01. Lt. Governor Heck made the motion, and it was seconded by Mr. Belton. The resolution was approved unanimously, 4-0.

Action Item:
Approval of
Resolution #24-02

Dr. Sharratt introduced Ms. Johnson to present the staff recommendation for approval of Resolution No. 24-02.

Ms. Johnson provided details on Resolution No. 24-02, highlighting that this resolution will: (1) authorize the executive director to make expenditures of \$50,000 or less, and to enter into contracts for up to \$250,000; (2) authorize the executive director to delegate in writing to the Assistant Director and other pertinent WHEFA staff the authority to execute documents related to the

agency's daily operations; (3) permanently extend the use and acceptance of electronic signatures.

Lt. Governor Heck pointed out some concerns regarding the contract amount of \$250,000.

Mr. Walker noted that the amount can be changed, emphasizing the primary objective of updating the decision-making process. He emphasized that all contracts would start with an RFP and require Board approval.

Mr. Belton asked about the frequency with which the agency receives contracts of that amount.

Ms. Johnson said that contracts of that amount are not common outside of the RFP processes. The maximum amount for those contracts is \$500,000. The majority of such contracts are paid through proceeds generated from bond financings. She added that the Authority seldom directly pays contracted financial advisors or legal counsel, with the exception of special projects. Those come up very infrequently.

Mr. Walker proposed adjusting the amount from \$250,000 to \$50,000, with any amount exceeding this limit requiring approval from the Board.

Lt. Governor Heck made the motion to approve Resolution No. 24-02, and it was seconded by Mr. Meotti. The motion was approved unanimously, 4-0.

Mr. Belton made the motion to amend the resolution by lowering the amount that the Executive Director is authorized to enter into from \$250,000 to \$50,000. The motion was seconded by Mr. Meotti. Amended Resolution No. 24-02 was approved unanimously, 4-0.

**Action Item:
Acceptance of the
Final Audit
Report**

Mr. Loranger introduced Mr. Kevin Smith to present a summary of the 2023 Audit Report.

Mr. Smith presented the overall results of the audit and highlighted that the auditors encountered no difficulties during the audit process.

Lt. Governor Heck made the motion to accept the final Audit Report. It was seconded by Mr. Meotti. The motion was approved unanimously, 4-0.

**Action Item:
Acceptance of the
Financial
Statement**

Dr. Sharratt asked Mr. Loranger to present the financial statement for approval.

Mr. Loranger presented the unaudited, current financial statement of the Authority's General Operating Fund for the period ending January 31, 2024. He stated that the increase in expenses from the previous year was a result of pay increases, retention and COVID bonuses implemented by the State, and increased travel and conference costs as we transitioned out of the pandemic era.

Mr. Belton moved approval of the financial statement, and it was seconded. The motion was approved unanimously, 4-0.

**Invoice for
Services**

Mr. Loranger stated that the invoice from the Housing Finance Commission for April 1, 2023, through December 31, 2023, has been reviewed and approved for payment by the Treasurer, Mr. Belton.

**Washington
Student
Achievement
Council Update**

Dr. Sharratt introduced Mr. Meotti to provide an update on the activities of the Washington Student Achievement Council (WSAC).

Mr. Meotti presented updates regarding enrollment and gave an update on the positive impacts of the past legislative session. He also made comments on the impact of financial aid on enrollment.

Market Update

Dr. Sharratt introduced Mr. Toepfer to present the market update.

Mr. Toepfer presented a market update which included a discussion about inflation, employment and the housing market, taxable and tax-exempt rates, an overview of interest rate history and trends, an interest rate forecast, and a discussion of municipal market supply and demand.

**Bond Issue
Status Report**

Dr. Sharratt asked Ms. Johnson to present the Bond Issue Status Report.

Ms. Johnson said that at the beginning of this past fiscal year, the Authority anticipated closing two bond issues totaling approximately \$49 million by June 30, 2024. She highlighted that as of March, the Authority financed one bond issue totaling \$27 million. She further stated that with Whitman College closing in April, the Authority will have exceeded its goal by around \$18 million, for a total of approximately \$67 million.

**Executive
Director's
Report**

Dr. Sharratt then asked Mr. Walker to present the Executive Director's report.

Mr. Walker welcomed the new officers and thanked the outgoing officers Dr. Sharratt and Mr. Belton for their past service to the Board as Secretary and Treasurer.

Mr. Walker thanked Mr. Meotti for his update and acknowledged the Student Achievement Council's outstanding contributions.

Mr. Walker gave an update on the state legislative session and stated that there were no bills passed that directly impacted WHEFA.

At the request of Dr. Sharratt, Mr. Meotti gave an update on dual credit programs that are available to students in high school.

Mr. Walker said that the NAHEFFA Spring conference will be held April 7-10 in New Orleans, LA. He advised board members interested in attending to contact staff.

Mr. Walker shared that WHEFA is still in the process of recruiting for a board position and that the announcement was distributed widely. Lt. Governor Heck expressed concerns regarding the lack of BIPOC representation on the board. Mr. Walker stated that staff share the same concern and have been actively reaching out to various minority communities and institutions to enhance board diversity.

Mr. Walker gave a summary of relevant articles in the board meeting packet. He added the next board meeting is on May 2, 2024. He noted that if there is no business to conduct, the meeting will be cancelled.

Adjournment

Dr. Sharratt adjourned the meeting at 12:29 p.m.

Mr. Allan Belton, Secretary

Date