

Washington Higher Education Facilities Authority

MINUTES

December 20, 2024

Mr. Allan Belton, Board Secretary, called the special meeting of the Authority to order at 1:33 p.m.

Including Mr. Belton, other Board members present via Zoom were Lt. Governor Denny Heck, Mr. Mike Meotti (who joined at 1:39 p.m.), Ms. Nona Snell, Dr. Gene Sharratt, and Mr. Sergio Garcia.

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

Also present in person was Mr. Jon Jurich of Pacifica Law Group, the Authority's bond and general counsel; and Mr. Kevin Smith of Eide Bailly, who joined via Zoom.

Introductions and Acknowledgments

Steve Walker welcomed the two new board members, Mr. Sergio Garcia and Ms. Nona Snell.

Approval of the Minutes

The minutes of the March 11, 2024, special meeting were approved as mailed.

Action Item: Acceptance of the Final Audit Report

Mr. Loranger introduced Mr. Kevin Smith to present a summary of the 2024 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, 6-0.

Action Item:
Approval of the
Annual Budget

Mr. Belton introduced Mr. Loranger to present the proposed annual budget for the fiscal year beginning July 1, 2024, through June 30, 2025.

Mr. Loranger presented the Authority's budget summary and workplan for the fiscal year ending June 30, 2025, highlighting a \$242,000 decrease in budgeted expenses. This reduction supports a proposed fee decrease from 6 basis points to 3 basis points, projected to save clients \$221,000 in the coming year.

Mr. Loranger noted that reduced work time for Ms. Johnson and Ms. Monillas, along with cuts to overhead expenses, contributed to the expense reduction. Mr. Walker added that their remaining staff time will be allocated to the Housing Finance Commission.

Lt. Governor Heck inquired about the two financing projects planned for the next fiscal year, asking if they were based on known but undisclosed plans or assumptions. Mr. Walker clarified that the projections are assumption-based and expressed optimism about future projects. He assured the group of the Authority's financial stability even if a second project does not materialize and emphasized a commitment to predictable budgeting and fee structures for the next five years.

Lt. Governor Heck made the motion to approve the budget. It was seconded by Mr. Meotti. The motion was approved unanimously, 6-0.

Action Item:
Acceptance of the
Financial
Statement

Mr. Belton asked Mr. Loranger to present the current financial statement for approval.

Mr. Loranger presented the unaudited financial statement of the Authority's General Operating Fund for the period ending October 31, 2024. He pointed out that the statement of net position shows a significant receivable balance. This is attributed to delayed member billing, which occurred while awaiting budget approval and the confirmation of the proposed fee reduction to 3 basis points. He assured that the receivable balance will be resolved once the bills are issued.

Lt. Governor Heck inquired about in-state staff travel prior to this year. Mr. Walker explained that no in-state staff travel has occurred in the past fiscal year due to turnover of key staff at our member institutions. He added that, despite not having in-person meetings with member schools, regular check-ins are conducted online to establish professional relationships.

Dr. Sharratt moved approval of the financial statement, and it was seconded by Mr. Meotti. The motion was approved by five members, with one abstention from Lt. Governor Heck.

Invoice for
Services

Mr. Loranger stated that the invoice from the Housing Finance Commission for January 31, 2024, through September 30, 2024, has been reviewed and approved for payment by the Board Treasurer, Mr. Meotti.

Mr. Belton then asked Ms. Johnson to present informational items.

Ms. Johnson presented Tab 6 of the meeting packet.

Adjournment

Mr. Belton adjourned the meeting at 1:57 p.m.

Mr. Allan Belton, Secretary

Date