Washington Higher Education Facilities Authority

MINUTES

September 5, 2025

Mr. Mike Meotti, Board Treasurer, presiding as Chair, called the special meeting of the Authority to order at 10:15 a.m.

Including Mr. Meotti, other Board members present via Zoom were Board Secretary, Mr. Allan Belton (who joined at 10:20 a.m. and presided as Chair at that point), Ms. K.D. Chapman-See, Mr. Sergio Garcia, and Ms. Shilpa Tiwari.

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

Also present via Zoom video conference was Ms. Faith Pettis of Pacifica Law Group, the Authority's bond and general counsel.

Introductions and Acknowledgments

Mr. Walker welcomed a new board member to the Authority, Ms. K.D. Chapman-See, the current Director of the Washington Office of Financial Management (OFM).

Mr. Walker recognized that board terms for Dr. Gene Sharratt and Mr. Sergio Garcia will end soon. He thanked them for their service and dedication to the board.

Approval of the Minutes

Mr. Garcia moved to approve the Authority meeting minutes of the December 20, 2024 special meeting as distributed. Ms. Chapman-See seconded. The motion was approved unanimously by a vote of 4-0.

Authority Board Secretary, Mr. Belton, then joined the meeting at 10:20 a.m. He presided as Chair for the remainder of the meeting. He thanked Mr. Meotti for presiding over the beginning of the meeting in his absence.

Action Item: Election of Authority Board Secretary & Treasurer (1-year terms)

Mr. Belton 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, Mr. Belton served as Secretary and Mr. Meotti served as Treasurer.

She stated that both Mr. Belton and Mr. Meotti have agreed to take on those roles again if the Board nominates and elects them.

Mr. Garcia made the motion to nominate Mr. Belton for another term as Board Secretary, and Mr. Meotti for another term as Board Treasurer. It was seconded by Mr. Meotti. The motion was approved unanimously, 5-0.

Action Item: Approval of selection(s) of Financial Advisor(s) for the Authority

Mr. Belton then asked Ms. Johnson to go over staff recommendations regarding the selection of Municipal Advisor(s) for the Authority.

Ms. Johnson stated that at least once every two years, the Authority is required to select finance team members through a competitive process. The current contract with PFM Financial Advisors expired on August 31, 2025.

She added that a competitive RFP process for selection of qualified businesses to be on the Authority's roster of municipal advisors was conducted.

Ms. Johnson proceeded with an outline of the RFP process and recognized all applicants for their time and thoughtful submittals. She stated that based upon the assessment of each firm's written proposal, staff agreed that interviews were not necessary.

Ms. Johnson stated that staff recommends that the Authority contract with and place the following three firms on the Roster of Municipal Advisors: 1) Blue Rose Capital Advisors; 2) KNN Public Finance; and 3) PFM Financial Advisors.

Mr. Meotti made the motion, and it was seconded by Mr. Garcia. The motion was approved unanimously, 5-0.

Action Item: Approval of the Annual Budget for Fiscal Year 2025-2026

Mr. Belton introduced Mr. Loranger to present the Authority's proposed annual operating budget for the fiscal year beginning July 1, 2025, through June 30, 2026.

Mr. Loranger presented the Authority's budget summary and work plan for the fiscal year ending June 30, 2026, He noted that last year's budget took into consideration the current limited demand for Authority services. In an effort to offer more consistency and to right-size the agency, staff time and expenses were reduced. This allowed the Authority to lower their annual fee to member schools from six basis points to three basis points. He noted that there was not much change this year and that the net fiscal impact for fiscal year 2025 is where it was expected to be.

Mr. Loranger then stated that on the expenses side, there is a slight reduction in allocated FTEs. He added that the Authority has also eliminated out-of-state travel due to a travel freeze at the state level. This has resulted in an additional $3,700 in savings. Overall, expenses are expected to decrease approximately $13,000.

Mr. Loranger concluded that the Authority's net income will be approximately $27,000 for the fiscal year.

Mr. Belton thanked Mr. Loranger for putting together a tight budget for the Authority during difficult financial times.

Mr. Meotti made the motion to approve the budget for Fiscal Year 2025-2026. It was seconded by Mr. Garcia. The motion was approved unanimously, 5-0.

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 interim financial statement of the Authority's General Operating Fund as of June 30, 2025. He pointed out that the statement of net position is approximately $1.16 million. He noted that revenues were down 53% due to this being the first year the Authority has charged a reduced annual fee of three basis points on outstanding bond balances.

Mr. Loranger then mentioned that expenses are down nearly 40%, primarily due to the reduction in staff time allocated to the Authority and other cost-saving measures. He concluded that total excess revenues, or net income for the year, are just under $17,000.

Mr. Meotti moved approval of the financial statement. Mr. Garcia seconded the motion. The motion was approved unanimously, 5-0.

Invoice for Services

Mr. Loranger stated that the invoices from the Housing Finance Commission from April 1, 2024, through June 30, 2025, have all been reviewed and approved for payment by the presiding Treasurer.

Informational Items

Mr. Belton then asked Ms. Johnson and Mr. Walker to present the informational items.

Ms. Johnson stated that there was no bond issue status report included in the board meeting packet because there were no transactions to report. Ms. Johnson added that she was just contacted by Gonzaga University's CFO regarding a potential new transaction.

Mr. Walker noted that there were three new presidents in 2025 and that there was considerable turnover in member CFO positions in 2024 and 2025. He then thanked Ms. Johnson for staying up-to-date and in contact with Authority member schools.

Public Comment Period

The Chair opened the public comment period. No members of the public commented or submitted written testimony.

Adjournment

Mr. Belton adjourned the meeting at 10:38 a.m.

__________________________________ ________________

Mr. Allan Belton, Secretary Date