



health sciences & services authority of spokane county

**HSSA BOARD OF DIRECTORS
Minutes of the September 1, 2010 Meeting
665 N. Riverpoint Boulevard, Spokane, WA**

Members Present:

Nancy Isserlis, Board Chair; Earl F. “Marty” Martin, Vice Chair, Patricia Butterfield, Kelsey Gray, Alethea McCann and Mike Wilson.

Members Absent:

Dr. Jeff Collins, Kevin Oldenburg and Jason Thackston.

Staff Present:

Susan Ashe, Acting Executive Director.

Providing Legal Counsel:

James Emacio, Spokane County.

Guests:

Roy Koegen, Koegen Edwards LLP; Sean Keatts, Barclays Capital; Tony Bonanzino, Tom Paine, Bill Isgrigg and Christi D’Agostino, ISM; Dr. Stephen Warren, Gonzaga University; Ben Oakley, LA to Rep. Kevin Parker.

1) Call to Order

Nancy Isserlis welcomed everyone and called the meeting to order at approximately 3 p.m. A quorum was established.

2) Approval of Minutes

Marty Martin moved to approve the minutes of the August 4, 2010 Board meeting, and Alethea McCann seconded the motion. The motion unanimously passed.

3) Board Actions

Kelsey Gray moved to approve proposed Resolution 2010-03, and Marty Martin seconded the motion confirming allocation of state sales tax proceeds to repay bonds’ principal and interest to Spokane County.

4) **Chair's Report**

A) **Authorization to Pay Warrants**

The Chair informed the Board that she signed Warrant No. 1082 for \$1,868 payable to Fidelity Associates to renew the HSSA's Directors and Officers Liability insurance. She and Marty Martin also signed the August Warrant Certification to Spokane County for Warrant numbers 1083 – 1088 totaling \$32,396.39. Both Ms. Isserlis and Mr. Martin signed Warrant No. 1088 to Project Access because the amount of \$16,066 was beyond Ms. Isserlis' signature authorization of \$10,000.

B) **HSSA Bond/HSSA Resolution 2010-03.**

Ms. Isserlis invited Roy Koegen to discuss the Spokane County bond issuance. Mr. Koegen introduced Sean Keatts, Barclays Capital, bond underwriter.

Mr. Koegen and Mr. Keatts confirmed that the County sold three series of bonds on August 24, 2010. One series was taxable and raise money for HSSA. We anticipated raising \$10.4 million, but we were able to take advantage of extremely low interest rates, so the share of the bond issue for HSSA was \$10,730,000.

He said that they looked at historic sales tax collections, calculated 75% of that, and assumed zero growth for the term of the bond, and sized the bond that way. Marshall Farnell, the County CEO, requested that the HSSA set aside a reserve account of \$500,000 which will earn interest, and which will be held in case there are sales tax fluctuations.

Ms. Isserlis instructed Mr. Emacio and Ms. Ashe to draft a policy for adoption by this Board at its next meeting that calls for regular reports to the Board about the status of the HSSA Debt Service Account and the ability (or not) to pay upcoming principal and interest on the loan. Mr. Emacio said that both Ms. Isserlis and Ms. Ashe had previously said that we would need to monitor closely, so we will come up with a policy that puts the onus on the Executive Director and the Accountant to keep the Board fully informed.

Kelsey Gray moved to approve Resolution 2010-03 and Marty Martin seconded the motion. The motion was unanimously approved by the HSSA Board. Ms. Isserlis noted that a quorum was present to approve and the Executive Director will get the required signatures.

5) **Acting Executive Director's Report**

Susan Ashe, Acting Executive Director, introduced and welcomed Mr. Antony Chiang, President of the Empire Health Foundation, as a guest today. She said that she has an invitation from him to further discuss research grant funding in Spokane, so she will be pleased to participate.

She also noted that she is developing a federal application submission to register HSSA with the federal government in order to make us eligible for future federal grants, and that it is a six to eight week process complete, according to the government.

6) **Board Committee Reports**

A) **Finance Committee**

Alethea McCann, Finance Committee Chair, referred to the finance report each Board member has, and reported as follows:

- The County allocated \$107,658.35 for July from county-wide sales and use tax.
- The average monthly sales tax collections for the first 7 months of this year are \$114,792.07.
- Sales tax collections remain about 3.1% below collections for the same period last year.
- HSSA ending balance in Spokane County Allocation Account as of July 31st is \$2,317,527.84. Of this, \$839,516.95 is committed to paying grants to ISM, Project Access, and the three Woodworth grants (WSU/GSI Four-Year Medical School, Northeast Community Center Health Clinic Expansion, and the Providence HIV/AIDS clinic).
- Our operating expenses are running at 7.5% of total revenue.

B) **Grant Subcommittee**

Dr. Butterfield, Chair of the Grant Subcommittee Committee, which consists of Kelsey Gray, Mike Wilson and Kevin Oldenburg, presented an update on the activities of the Grant Subcommittee and the work it is doing on developing a bond proceeds spending allocation plan.

At the conclusion of Dr. Butterfield's update, Mr. Antony Chiang, President, Empire Health Foundation, provided an update on his organization and noted that both organizations in the planning stage for research grant funding and would invite our working together with other local interests to more formally discuss and plan how we build an ecosystem for medical research or biomedical or applied or whatever the various categories are, such that Spokane goes to the next level in attracting outside-the-region funding.

The Grant Subcommittee will continue its work and report again at the full Board's next meeting.

C) **Counsel's Report**

Mr. Emacio reported earlier in the meeting (see above) at the Chair's request.

D) **Board Member Comments and Announcements**

There were none.

E) **Executive Session**

There was no Executive Session.

The Chair adjourned the meeting at 5:00 p.m. The next HSSA Board meeting will be October 6, 2010.