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**Washington Vaccine Association
Finance Committee Meeting
April 6, 2023; 11:00 a.m.-12:00 p.m. (PT)**

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I. Attendance. This meeting was conducted solely by webinar. Participating in all or part of the meeting were the following individuals:

9	<u>Directors</u>	18	<u>Helms & Company, Inc.</u>
10	Randy Parker, Northwest Carpenters Trusts, Chair	19	Patrick Miller, MPH, WVA Administrative
11	Jason Farber, Davis Wright Tremaine LLP	20	Director
12	John Sobeck, MD, Regence and Asuris	21	Ashley Ithal, MPH, WVA Program Support
13		22	
14	<u>WVA</u>	23	<u>Others</u>
15	Julia Walter Zell, MA., Esq., Executive Director	24	Polly Sidwell, Morgan Stanley
16		25	David Keller, Morgan Stanley
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II. Summary of Actions Taken

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Actions Taken

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- i. To approve the minutes of the March 2, 2023 Finance Committee meeting.
 - ii. To approve CliftonLarsonAllen LLP as auditor.

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III. Minutes

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Welcome and Introductions

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Mr. Parker called the meeting to order at 11:03 a.m. Ms. Zell announced that the meeting is being recorded for the benefit of the minute taker, to be deleted once the minutes are approved.

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Calendar Consent Items

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Mr. Parker directed the Committee's attention to the draft minutes submitted for approval. There being no questions or comments, Mr. Parker asked for a motion to approve the minutes. Upon motion duly made and seconded, it was unanimously

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VOTED: To approve the minutes of the March 2, 2023 Finance Committee minutes.

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IV. Financial Update

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Morgan Stanley Update

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Mr. Keller provided an overview of the WVA investment summary as of March 31, 2023. To date, the portfolio value has increased 1.1% and Mr. Keller projects that the portfolio will generate just over \$900,000 in 2023. He reported that the portfolio is well diversified between corporate bonds, CDs, and federal securities easily meeting the requirements of the WVA's Investment Policy Statement. The average duration of the laddered portfolio is 1.5 years. Mr. Keller explained that as the WVA continues to ladder out bonds as interest rates rise, this strategy will allow income within the portfolio to continue to increase. In 2023, the value of maturing is \$7.3 million with \$11 million in 2024. Mr. Keller reported that he and Ms. Zell engaged in a recent effort to sell two Credit Suisse bond positions which were \$250,000 par value to reduce the potential for downgrades. Mr. Miller stated that Ms. Zell, and Ms. Walker will be meeting with the Morgan Stanley team later this month once the assessment rate setting model is finalized to determine if any excess cash is available to invest over a longer time period. Mr. Parker raised a question as to whether an assumed rate of return for the Association existed. Ms. Zell explained that none exists intentionally because these investments are an effort to be innovative and a way to be good stewards of funds.

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FYTD February 2023 Unaudited Financial Statements

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Mr. Miller briefly reviewed the February 2023 statements. Total assets for the WVA are \$59 million. In review of the administrative budget for February 2023, the WVA was approximately \$36,000 under budget primarily due to lower legal fees and provider and payer education outreach efforts.

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67 Ms. Zell reminded the Committee that in FY2023, the WVA split the costs for legal fees into general counsel and
68 special projects in an effort to better track legal expenses as the WVA generally runs at budget or above each year.
69 The Committee discussed legal projects and the WVA's potential to engage with other qualified firms. Discussion
70 ensued. Ms. Zell committed to follow-up with the Executive Committee.

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72 **V. FY2024 Administrative Budget and Vaccine Assessment Grid**

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74 Mr. Miller displayed the most recent draft of the administrative budget and reviewed line items with variation of +/-
75 10%. The current Assessment Grid (Grid) model proposes that the Grid amounts will increase in FY2024 and then
76 remain level through FY2026. This will achieve the Board's stated goal of maintaining adequate cash reserves. Mr.
77 Miller reviewed the areas contributing to the Grid increases including changes to the fund source split, the addition
78 of new vaccines (Priorix (MMR), Vaxneuvance (PCV15), Prevnar 20 (PCV20)), changing vaccine presentations
79 (Menveo (MCV40), Rotarix (RV1)), preparations for new vaccines in the pipeline (RSV, COVID), as well as
80 pandemic impacts on vaccine utilization. Mr. Miller reviewed weighted CDC contract price changes between April
81 2017-April 2024. Mr. Miller reported that the Grid will be presented to the Board at their April 13th meeting and then
82 it will be finalized by the Operations Committee on April 25th, to be followed by a full communications plan roll out
83 to payer, providers, and other stakeholders.

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85 **VI. Annual Auditor Engagement**

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87 Ms. Zell proposed retaining Clifton, Larson, and Allen (CLA) for the FY2024 audit. She noted a significant change
88 this year in the engagement documents which includes a proposed master services agreement and an accompanying
89 statement of work rather than an engagement letter. Mr. Parker directed the Committee's attention to the Annual
90 Auditor Letter. There being no questions or comments, Mr. Parker asked for a motion to approve CliftonLarsonAllen
91 LLP as auditor. Upon motion duly made and seconded, it was unanimously

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93 **VOTED: To approve CliftonLarsonAllen LLP as auditor.**

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95 **VII. Closing**

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97 With no further business before the Committee, Mr. Parker concluded the meeting at 11:54 a.m.