

The Minnesota Higher Education Facilities Authority (the “Authority” or “MHEFA”) convened a regular Board meeting at 2:00 PM CDT, Wednesday, April 15, 2020, in the Authority’s Conference Room, 380 Jackson Street, Suite 450, Saint Paul, Minnesota.

Following Emergency Executive Order 20-01, dated March 13, 2020, Declaration of Peacetime Emergency by Governor Walz; Emergency Executive Order 20-20, dated March 25, 2020; and Emergency Executive Order 20-33, dated April 8, 2020 (the foregoing and other Emergency Executive Orders of the Governor relating to COVID-19, as may be amended or superseded, collectively, the “Emergency Orders”), members of the Authority participated in and attend the meeting by telephone or other electronic means in accordance with Minnesota Statutes, Section 13D.021.

Authority Chair Ranum determined that an in-person meeting at the regular meeting location for the Authority, 380 Jackson Street, Suite 450, Saint Paul, Minnesota 55101, is not practical or prudent because of the health pandemic declared under the Emergency Orders and according to current guidance from the Minnesota Department of Health, the Centers for Disease Control and Prevention, and the U.S. Department of Homeland Security.

The chief administrative officer of the Authority, Executive Director Barry W. Fick, was physically present at the Authority’s offices, 380 Jackson Street, Suite 450, Saint Paul, Minnesota 55101.

Members of the public who plan to be present at the public hearing at the Authority’s offices in person will be required to observe social distancing and comply with other measures imposed by the Emergency Orders.

The public were able to monitor the meeting by calling 888-742-50956; Pass Code: 582 273 6685#.

A roll call was taken and the following board members or their designees were present and attending by telephone:

Board Members: Gary Benson
Mary Ives
Mark Misukanis
Michael Ranum
Bonnie Anderson Rons
David Rowland
Raymond Vin Zant (joined at 2:15 pm)
Nancy Sampair
Powait Yang
Stacey Holland, Minnesota Private College Council, ex officio without vote

Absent: None

Public Attendees: None

Also present: Barry W. Fick (in-person) Executive Director MHEFQA; Amanda Lee, Operations Manager, MHEFA (by telephone)

Mike Ranum, Chair, called the meeting order at 2:00 pm CDT. Executive Director Fick confirmed that a quorum was present.

Agenda Item I – Minutes of the January 15, 2020 Board meeting.

The first item on the Agenda is the review and consideration of the minutes of the January 15, 2020 Authority Board meeting. A motion was made by Mary Ives to approve the January 15, 2020 minutes. The motion was seconded by Gary Benson. Chair Ranum asked if there were any questions, discussion or changes to the minutes of the January 15, 2020 Board meeting.

Board member Nancy Sampair asked to correct the January 15, 2020 minutes to have them show that she was present at the meeting rather than being on the telephone. The maker and second of the original motion to Approve the Minutes accepted the request as a friendly amendment and affirmed their motion and second.

Chair Ranum called for a roll call vote regarding the approval of the minutes. A roll call vote was conducted, and the Board members voted as follows:

Board Members:	Gary Benson	Yes
	Mary Ives	Yes
	Mark Misukanis	Yes
	Michael Ranum	Yes
	Bonnie Anderson Rons	Yes
	David Rowland	Yes
	Nancy Sampair	Yes
	Powait Yang	Yes

There were no votes against the motion and the Minutes of the January 15, 2020 Authority Board meeting were approved.

Agenda Item II – St. Olaf College Public Hearing

St. Olaf College has applied to the Authority for assistance in financing a number of projects to be constructed on the campus of the college. The Authority published a Notice of Public Hearing for the purpose of conducting a Tax Equity and Fiscal Responsibility Act (“TEFRA”) hearing as required by Internal

Revenue Service (“IRS”) regulations for the issue of tax-exempt bonds. The Public Hearing Notice was timely published in the State Register and the Northfield Minnesota newspaper.

As a result of the changes on campus resulting from Emergency Executive Orders issued by Governor Waltz, the College has decided to postpone the proposed projects and has withdrawn their request for a public hearing. Accordingly, the Public Hearing for St. Olaf College was cancelled.

Notice of the Cancellation was posted at the Authority’s office and on the Authority’s website. Authority staff will keep in contact with the College to determine a time to reschedule the Public Hearing.

It was noted that Saint John’s University has also postponed their project and will have a board meeting in early May to reevaluate their decision.

At 2:15 pm Board Member Ray VinZant joined the meeting via telephone.

Agenda Item III – Consideration of Resolution for Extension of Letter of Credit – Augsburg University

Augsburg University has a Letter of Credit through BMO Harris Bank (Chicago) that supports the Series Eight-E Note. The Series Eight-E Note is a private placement with BMO Harris (Chicago). The Series Eight-E Note has a mandatory Tender on May 1, 2020. The University has worked with BMO Harris to extend the term of the Series Eight-E Note and renew the Letter of Credit with BMO Harris.

The University has requested the Authority take appropriate action(s) to allow the extension of the Series Eight-E Letter of Credit. The documentation for the extension is not complete as of the date of the Regular Authority meeting. Bond Counsel has determined that appropriate public Notice must be provided for the Authority to consider the request of the University. Bond Counsel has recommended that a Special Meeting be held on Thursday, April 16, 2020 to consider the action(s) necessary to allow the extension to be completed.

In addition to the extension of the Mandatory Tender date for Series Eight-E, the University and BMO Harris have requested a modification to the interest rate on the Series 2019 Note between the Authority, Augsburg University and BMO Harris. Consideration of this request will be conducted at the Special Meeting of the Authority, to be held at 2:00 PM CDT on Thursday, April 16, 2020.

Appropriate Notice of a Special meeting of the Minnesota Higher Education Facilities Authority has been appropriately published and the Notice of the Special meeting of the Authority was posted at the Office of the Authority, 380 Jackson Street, Suite 450, Saint Paul, MN 55101.

Copies of the Resolutions to be considered by the Authority Board for the Series Eight-E Note and the Series 2019 Note will be distributed prior to the Special Meeting of the Authority.

Board Secretary, Gary Benson, asked for clarification regarding the timing of Augsburg's credit rating review by Moody's prior to the requested modification to the interest rate on the Series 2019 Note. Executive Director Fick noted that Moody's reviews Augsburg's credit rating annually, so this was a scheduled rating review.

Executive Director Fick noted that Bethel University's BBB- rating was reaffirmed by S&P.

Board Member Sampair asked if the current COVID-19 environment would cause rating agencies to speed up rating reviews. Executive Director Fick responded that Moody's is currently only doing broad outreach to schools to see how they are handling things such as refunds of room and board and instruction methods for fall. It was also noted that all three major rating agencies have switched higher education to a negative outlook, but that is not unique as all three have put the entire public finance sector on a negative outlook due to the pandemic.

Schools are working with Executive Director Fick on the CARES Act and Department of Education Grants available, and schools will be receiving grants (in varying sizes) from this program for room and board they are not receiving.

Agenda Item IV – Old Business

The Chair asked if there was any Old Business to be considered by the Board. There were no Old Business requests from Board members for consideration.

Agenda Item V – New Business

The Chair asked if there was any New Business to be considered by the Board.

Board Member, Mary Ives, asked for more information regarding the departure of Mary Hinton from the College of Saint Benedict. Executive Director Fick noted that he would provide updates in his Executive Director Report. Hearing no other new business, Board Chair Ranum moved on to Other Business for the Executive Director's Report.

Agenda Item VI – Other Business

The Chair asked if there was any Other Business to come before the Board. As part of the Other Business section, the Chair asked the Executive Director to present his report on Authority Activity.

Executive Director Fick provided the update that the University of St. Thomas will be coming to the Authority Board for approval of a financing for various campus improvements. St. Thomas will be postponing the second phase of their dormitory projects for now. St. Thomas will present their financing at the May 20, 2020 board meeting. It was also noted that St. Thomas is deferring their decision to move from Division III to Division I due to the potential continued cessation of college sports into the fall semester.

Executive Director Fick continued with school updates noting that Saint Benedict's President, Mary Hinton, is leaving the College of Saint Benedict. When her departure was announced, Saint John's University, who has been searching for a new President, and the College of Saint Benedict decided combining the two President roles into one joint President would help coordinate their missions, as well as other benefits to both schools. However, there is no plan to further merge the schools at this time. Saint John's University's interim President will stay at Saint John's for another year during the search.

Executive Director Fick noted the substantial changes to operations of the Authority that have occurred as a result of the Emergency Executive Orders of the Governor. Authority staff are working from home until at least May 4, 2020, when the Stay at Home Executive Order is scheduled to expire, unless extended in full or in part.

Mr. Fick noted that the transition from the office to working from home was quite smooth. This ease of transition is attributed to the increased digitization of office records, migration of files to a Cloud computing storage platform, the transition to online banking and the use of a third-party computer security, administration and maintenance agreement with DTS. The addition of a Virtual Private Network (VPN) has enabled secure connection with Authority data from the home offices of Authority Staff.

The Authority is proceeding with the due diligence on the possible acquisition of a new Voice Over Internet Protocol (VOIP) telephone system. This is part of our capital equipment improvement plan. We have had initial discussions with vendors on options and are focusing on a system that would integrate conference calls, video calls and a full featured phone system that could be accessed from anywhere.

The Authority has also added Zoom Video Conference capability and is regularly communicating with borrower schools, rating agency staff, other professional organizations and between staff using the technology. It has provided a stronger link during the time away from the office.

We have been in regular communication with the schools and send them pertinent information about opportunities and options we find that they may use in their analysis of how to respond to the COVID-19 challenges.

We also regularly communicate with Moody's rating agency staff to update them on our Minnesota situation and assist in coordinating communication between Moody's and our borrowers. To date, we have facilitated

two information discussions between Moody's and Minnesota schools. We expect to conduct additional discussions as more information becomes available.

Conferences that were scheduled for April, May and June that were to be attended by Authority staff have been cancelled. Some of the conferences are going partially online using Web-ex or Zoom or some other video link.

We are regularly having virtual meetings with the National Health and Education Facilities Finance Association Members (NAHEFFA) and Board and the Government Finance Officers Association (GFOA) Debt Management Committee to discuss federal efforts to provide financial assistance to local government and non-profit entities. We pass this information on to Authority borrowers.

The Chair asked if there were any questions from Board members for Executive Director Fick. There were no questions for Executive Director Fick.

Operations Manager, Amanda Lee, discussed and outlined the additional material included with the April Board packet, including articles from Bloomberg and Inside Higher Education.

She also discussed the March 2020 Budget vs. Actual expenditure report, noting that an updated FY2020 Budget will be provided for the Board's consideration at the May 20, 2020 Authority Board Meeting.

There were no other questions from Board members related to the additional material. Board members noted their appreciation for the communication work the Authority staff is doing to keep in contact with borrower schools, business partners and the Board. Board members also expressed gratitude for the business system enhancements that have been undertaken and the increased ability of the Authority to operate off-site with no loss of productivity.

There were no Other Business items to discuss.

The Chair asked if there was any other business to come before the Board. Hearing none, the Chair asked for a motion to adjourn. A motion to adjourn was made by Nancy Sampair and a second provided by Mary Ives. The motion to adjourn was considered by a voice vote and approved. The meeting adjourned at 2:41 PM CDT.

Respectfully submitted,

Barry Fick

Assistant Secretary






6a - Minutes for April 15 2020 FINAL

Final Audit Report

2020-05-20

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