

The Minnesota Higher Education Facilities Authority (the “Authority” or “MHEFA”) convened a regular Board meeting at 2:00 PM CDT, Wednesday, November 18, 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8, 2020 (the foregoing and other Emergency Executive Orders of the Governor relating to COVID-19, as may be amended or superseded, collectively, the “Emergency Orders”), members of the Authority participated in and attend the meeting by telephone or other electronic means in accordance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, was 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 a toll-free number

Board members participated in the meeting using a video link. The meeting link was sent to Board members prior to the meeting. The use of a video link as an allowable way to hold the Board meeting was confirmed by the State of Minnesota’s Data Practices Office staff prior to the meeting, following Minnesota Statute 13D.021.

## Executive Summary – Minnesota Higher Education Facilities Authority

Meeting on November 18, 2020

Board Actions Taken:

<b>Motions:</b>	<b>Result:</b>	<b>Vote:</b>
Approval of Meeting Minutes of October 21, 2020	Passed	Unanimous

<b>Resolutions</b>	<b>Result:</b>	<b>Vote:</b>
Approval of Resolution Relating to Application for St. Olaf College	Passed	Unanimous

The official meeting began with a roll call to determine who was attending the meeting. The following board members or their designees were participating and attending by video link or telephone:

Board Members: Gary Benson  
Mary Ives  
Michael Ranum  
Bonnie Anderson Rons  
David Rowland  
Nancy Sampair  
Poawit Yang  
Stacey Holland, Minnesota Private College Council, ex officio without vote

Absent: Mark Misukanis  
Ray Vin Zant

Other Attendees: Mark LeMay, Consultant  
Janet Hanson, VP and CFO, St. Olaf College  
Mark Gelle, AVP and Chief Investment Officer, St. Olaf College  
Robert Toftey, Bond Counsel  
Melanie Len, Director, Piper Sandler  
Nick Taylor, Director, North Slope Capital Advisors

Laura Janke, Public

Also Present: Barry W. Fick (in-person) Executive Director MHEFA  
Amanda Lee, Operations Manager, MHEFA

All participants attended the meeting by video link or telephone. Executive Director Fick participated by video link and was present at the Authority Office for the meeting.

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 October 21, 2020 Board meeting.**

The first item on the Agenda is the review and consideration of the minutes of the October 21, 2020 Authority Board meeting. Board member Bonnie Rons noted a change to page 8 of the October minutes. The change was for clarification and non-substantive. There were no other questions or proposed changes to the minutes from the Board members.

A motion was made by Gary Benson to approve the October 21, 2020 minutes. The motion was seconded by Mary Ives. Chair Ranum asked if there were any additional questions, discussion, or changes to the minutes of the October 21, 2020 Board meeting.

Chair Ranum called for a vote regarding the approval of the minutes. A voice vote was conducted, and the Board members unanimously voted to approve the October 21, 2020 Authority Board minutes as amended

### **Agenda Item II – St. Olaf College Application for Financing**

Chair Ranum opened the Public Hearing for St. Olaf College. Executive Director Fick noted that Notice for the St. Olaf Public Hearing was published in the State Register and the Northfield in a timely manner and that there were no comments received by the Authority prior to the Public Hearing. Mr. Fick also noted that there were no members of the public at the Authority Office.

Chair Ranum called on Ms. Janet Hanson, Vice President and Chief Financial Officer at St. Olaf College to present the financing request of the College, describe the College and its operations, and outline the project to be financed. Ms. Hanson presented information about the background of the project, noting that the project consists of the construction of a residential tower for 300 students and the construction and furnishing of 10 townhome residences, housing approximately 140 students. The project will allow the college to realize its residential vision. The additional beds will allow the college to house more students on campus, decompress triple bed dorms to their originally intended double occupancy, and provide for more attractive residential options to engage students in their experience at St. Olaf.

Ms. Hanson noted that the college anticipates breaking ground in Spring/Summer 2021 with construction and furnishing of the projects complete to open for occupancy in Fall 2022. The project cost is expected to be approximately \$60 million. The college will fund the project costs, interest during the construction and issue costs with bond proceeds. The exact size and structure of the financing is under discussion and will be presented to the Authority Board at the December 2020 meeting.

Chair Ranum asked if Board members had any questions for Ms. Hanson. Board members asked questions about how St. Olaf has handled the COVID-19 crisis. Ms. Hanson and Mr. Gelle responded noting the testing regimen adopted by the College and the process and procedures the college has implemented to identify and mitigate any spread of the virus on campus. Ms. Hanson discussed the contingency plans the college has in place and outlined the learning options available to students for Fall 2020. Ms. Hanson and Mr. Gelle discussed college outreach efforts to students that were undertaken in summer 2020. Ms. Hanson discussed Fall 2020 enrollment and continuing efforts to communicate with students interested in future enrollment at the college. There were no other Board member questions.

Mr. Ranum closed the public hearing and asked Mr. Nick Taylor, Director and Chief Compliance Officer of North Slope Capital Advisors to provide the Board with an analysis of the financial effect of the application by the college. Mr. Taylor introduced himself and provided a brief introduction to North Slope Capital Advisors. Mr. Taylor proceeded to review the Application Analysis prepared by North Slope. Their analysis provided a trend line for asset growth, annual financial performance, and student demand. North Slope prepared an analysis of the college financial performance relative to Moody's Investors Service financial ratios and discussed the process of obtaining a credit rating.

Mr. Taylor noted that in the professional opinion of North Slope Capital Advisors, the project appears fiscally feasible and a bond with adequate security can be structured.

Mr. Taylor concluded his presentation and asked if Board members had questions. A Board member asked about how the proposed new debt would fit in with the outstanding debt of the college and if the college had plans for additional debt. Mr. Taylor provided an outline of how the proposed debt integrates with the outstanding debt and how the plan allows the college to provide for debt service payments with adequate security for bondholders. Ms. Hanson indicated that the college has no plans for additional debt in the next few years. Any capital projects in the near future will be funded from capital gifts or operations. There were no other questions from Board members.

Mr. Ranum next asked Mr. Robert Toftey, Esq. from the Fryberger law firm, serving as bond counsel for the St. Olaf financing, to review Bond Counsel's Application Memorandum. Mr. Toftey directed the Board's attention to the Application of St. Olaf College for MHEFEA Financing memorandum, dated November 9, 2020. Mr. Toftey reviewed the memo with the Board. The memo represents Bond Counsel's findings from their review of the St. Olaf Application for financing. It also notes items that are missing and need to be provided prior to issuing the bonds. It reviews representations made by St. Olaf in their Application and discusses IRS limitations on tax-exempt financed projects, noting how those limitations might affect the St. Olaf Project.

Mr. Toftey concluded his presentation and asked if there were questions from Board members. Board member Ives asked for clarification regarding private use of the dorm facilities. There were no further questions. Mr. Ranum then asked Mr. Toftey to review the Resolution Relating to the Application for St. Olaf College.

Mr. Toftey directed the Board's attention to the Resolution included in the Board information packet. The Resolution includes 9 findings, each of which Mr. Toftey briefly discussed with the Board. The Resolution terms recites the description of the project and the application from St. Olaf. It discusses publication of appropriate Notice for the Public Hearing and that the Public Hearing was duly held on November 18, 2020.

It discusses the review of the Application by qualified professionals retained by the Authority and notes the professionals recommend approval of the Application, subject to completion of some remaining items prior to the sale of the bonds.

The Resolution notes that the College is qualified to borrow through the Authority, the Project is a qualified Project under the Authority's authorizing legislation, that the Project fulfills the mission of the Authority, that the College is nonsectarian, does not engage in unlawful discrimination, that the project facilities are available to students of the college without unlawful discrimination and that the project and issuance of revenue obligations appear feasible.

The Resolution concludes with the statement that by approving the Resolution the Board authorizes the Executive Director and finance professionals to obtain additional information and directs the participants to prepare a financing plan and bond documents and bring those to the Board for consideration and approval. This concluded Bond Counsel's discussion of the Resolution. Mr. Ranum asked if there were questions related to the Resolution from Board members. There were none.

A motion was made by Bonnie Anderson Rons to approve and accept the Resolution Relating to the Application of St. Olaf. The motion was seconded by David Rowland. Chair Ranum asked if there were any questions, discussion, or changes for Mr. Toftey regarding the Resolution. There were no other questions for Mr. Toftey related to the Resolution Relating to the Application of St. Olaf College.

Chair Ranum called for a Roll Call vote regarding the approval and acceptance of the Resolution Relating to the Application of St. Olaf College. A Roll Call vote was conducted, and the Board members voted as follows:

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

There were no votes against the motion and the Resolution Relating to the Application of St. Olaf College was approved.

Chair Ranum allowed St. Olaf College and other St. Olaf Financing team members participating in the Public Hearing and the Application Review process to leave the meeting if they would like.

### **Agenda Item III – Old Business**

There were four (4) items of old business to come before the Board:

Municipal Advisor RFP Update: Proposals were received from five (5) firms for the full range of services and one (1) proposal for a limited range of services. Staff will evaluate the proposals received and work with the Board to schedule interviews with some or all of the Proposer Firms. Due to the volume of other Authority business in December, staff proposes to move interviews and a selection decision of Roster members to January 2021. This represents a delay of a month from the original schedule. The delay allows staff to focus on financing transaction for St. Olaf and complete work on preparing the Issuance Expansion request for the 2021 State of Minnesota Legislative Session.

The Board agreed with the extension as there are currently no financing Applications received for early 2021 action by the Board.

Minnesota Private College enrollments proved to be quite strong for Fall 2020. Most schools were at or slightly below budgeted levels of enrollment. Some schools were down on enrollment further than projected and at least one school, Concordia University in St. Paul, showed an increase in students.

Board members asked if there was additional information about COVID-19 cases at individual schools. Executive Director Fick noted that the Authority is not aware of any large outbreak and that most of the colleges and universities have a robust testing program in place and have adopted protocols to minimize the risk of spreading COVID on campuses.

A Board member asked how the State of Minnesota shutdown of certain business has affected the schools. The Governors emergency orders have not had an outsize effect on the schools. Schools will generally be moving to distance learning after the Thanksgiving break and not returning to on-campus learning until sometime in 2021, when the next academic session is scheduled to begin.

Authority staff had a discussion with our Legislative Advisor about how to approach the upcoming legislative session to seek authority to expand Authority issue authority. We will develop detailed plans through November and December. We will bring a resolution to the Board for consideration at the December meeting regarding the expansion efforts. The legislators who sponsored our bill in

2020 were all reelected (other than 1 who chose to retire). We will work to have them sponsor the bill in 2021 and obtain additional sponsors or supporters.

Operations Manager Amanda Lee updated the Board on the installation of the Authority's new communications system. The system includes new desk phones, a new conference phone, integration with our mobile phones, an electronic fax line and a video communications link. That link was used for the first time on this November 2020 Authority meeting. As part of the new system, Amanda has a new direct line number. The general number, fax number, and the Executive Director direct line numbers remain the same as they have been.

There were no other old business items from staff or Board members.

#### **Agenda Item IV – New Business**

Chair Ranum asked Mr. Fick and Ms. Lee to update the Board on any new business. Mr. Fick indicated there was an item under new business that he and Operations Manager Lee wished to update the Board about.

Operations Manager Lee discussed the Authority's FY2020 Annual Report. The Annual Report has been completed. It will be published after this meeting and a hard copy sent to the appropriate State of Minnesota Agencies according to state rules. The report will be placed on the Authority's web site and a link to the report will be sent to Board members and others on the Authority's mailing list.

Chair Ranum asked if there were any New Business items from Board members for discussion. There were no New Business items from Board members for discussion.

#### **Agenda Item V – Other Business**

Chair Ranum called upon Executive Director Fick to discuss Other Business. Mr. Fick presented his Executive Director's report. It included the following items regarding staff and Authority activity and events and personnel changes at the schools.

We continue to function in accord with State of Minnesota "if you can work from home you must work from home" mandate. We make separate occasional visits to the office, including for the



November 18, 2020 Board Meeting. This is the second meeting conducted using video conferencing, in addition to the regular conference call number. We appreciate your feedback on how the video conferencing access works for you and if you have additional thoughts, please share them with us so we can improve future meetings

New Authority laptop computers have been ordered and we expect to receive them this month. We were able to find the same brand of computers with more features and capacity at a materially lower price than quoted to us by DTS. The new computers will allow us to be well equipped for the future, especially as we anticipate continuing to work from home through June 30, 2021 as mandated by the State of Minnesota.

Moody's completed a number of credit reviews of Authority borrowers. We had a rating call on November 10, 2020 for Macalester College. We expect Moody's to have a credit committee and decision on Macalester's Credit Update by the first week of December.

Executive Director Fick has been appointed to the GFOA working group London Interbank Offering Rate ("LIBOR") Transition Sub-committee and the Environmental, Social and Government ("ESG") working Group sub-committee. His participation on these sub-committees will directly benefit a number of Authority school borrowers, especially as it relates to ESG disclosure matters for future financings.


Executive Director Fick will be applying for reappointment to the MSRB Compliance Advisory Group. Appointments to MSRB Committees are for a 1-year term. Since the work of the CAG Group was interrupted by COVID-19 during 2020, he would like to continue the work the Group began and bring some of the initiatives to a successful conclusion in 2021.

That concluded Mr. Fick's Executive Director's report for November 2020.

At the conclusion of the Executive Directors report, Chair Ranum entertained a motion to adjourn the general meeting. A motion to adjourn as made by Bonnie Anderson Rons and seconded by Nancy Sampair.

The Board then voted by voice vote to adjourn at 3:42 pm, Central Standard Time.

Respectfully submitted,



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Assistant Secretary



# 4- Minutes for 18 Nov 2020 FINAL

Final Audit Report

2021-01-14

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