



The Minnesota Higher Education Facilities Authority (the “Authority” or “MHEFA”) convened a regular Board meeting at 2:00 pm Central Time, Wednesday, January 20, 2021.

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8, 2020 (the foregoing and other Emergency Executive Orders of the Governor relating to COVID-19, as may be amended or superseded, collectively, the “Emergency Orders”), members of the Authority participated in and attend the meeting by telephone or other electronic means in accordance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 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 January 20, 2021

Board Actions Taken:

Motions:	Result:	Vote:
Approval of Meeting Minutes of January 6, 2021	Passed	Unanimous

Resolutions	Result:	Vote:
Approval of Resolution Relating to Financing Terms for St. Olaf College	Passed	Unanimous
Approval of Series Resolution Relating to St. Olaf College	Passed	Unanimous
Resolution Authorizing Performance-Based Salary Increase Under Managerial Plan 2019-2021	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
Mark Misukanis
Michael Ranum
Bonnie Anderson Rons
Nancy Sampair
Ray Vin Zant
Paul Cerkvenik, Minnesota Private College Council, ex officio without vote

Absent: David Rowland
Poawit Yang

Other Attendees: Mark LeMay, Consultant
Robert Toftey, Bond Counsel, Fryberger Law Firm
Melanie Len, Senior Vice President, Piper Sandler
Nick Taylor, Director, North Slope Capital Advisors
Steph Chichester, President, North Slope Capital Advisors

Meredith Clinkinbeard, Analyst, North Slope Capital
Advisors

Also Present: Barry W. Fick, Executive Director, MHEFA (joined at 2:15 pm)
Amanda Lee, Operations Manager, MHEFA

All participants attended the meeting by video link or telephone.

Mike Ranum, Chair, called the meeting order at 2:00 pm CDT. Operations Manager Amanda Lee confirmed that a quorum was present.

Agenda Item I – Minutes of the January 6, 2021 Board meeting.

The first item on the Agenda is the review and consideration of the minutes of the January 6, 2021 Authority Board meeting. There were no questions or proposed changes to the minutes from the Board members.

A motion was made by Bonnie Anderson Rons to approve the January 6, 2021 minutes. The motion was seconded by Nancy Sampair. Chair Ranum asked if there were any additional questions, discussion, or changes to the minutes of the January 6, 2021 Board meeting.

Chair Ranum called for a Roll Call vote regarding the approval and acceptance of the Minutes of the January 6, 2021 Minnesota Higher Education Facilities Authority Board Meeting. 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
	Ray Vin Zant	Yes
	Nancy Sampair	Yes

There were no votes against the motion and the Minutes for the January 6, 2021 Board meeting were approved.

Agenda Item II – St. Olaf College Preliminary Financing Plan

Chair Ranum asked Mr. Nick Taylor, Director and Chief Compliance Officer of North Slope Capital Advisors to provide the Board with an outline of the Preliminary Finance Plan for the Series 2021 Bonds for St. Olaf College. Mr. Taylor reviewed the Preliminary Finance Plan prepared by North Slope.

Mr. Taylor reviewed the structure of the Series 2021 Bonds. He noted that the debt service for the Series 2021 Bonds pays interest only for a number of years, until the outstanding debt of the College is fully matured. The principal of the Series 2021 Bonds then begins repayment. The principal will be paid beginning October 1, 2036 and concluding October 1, 2050. He noted that this type of repayment structure is referred to as “wrapping” around the outstanding debt. It results in lower maximum annual debt service for all outstanding debt of the College. He also noted that the interest on the Series 2021 Bonds that is payable through April 1, 2022 will be funded with bond proceeds. This allows the College to defer any direct payment on the debt until after construction on the projects is substantially completed.

Mr. Taylor noted that there is no debt service reserve associated with the bonds and there is no mortgage on College property for the Bonds. The College is subject to a financial covenant so long as the Series 2021 Bonds remain outstanding. The College is obligated to generate Net Income Available for Debt service of at least 110% of maximum annual debt service on the Bonds.

Mr. Taylor reviewed the preliminary debt service for the Series 2021 Bonds shown on Exhibit A of the Preliminary Finance Plan. He discussed Exhibit B with the Board, noting that it shows all outstanding long-term debt of the College and illustrates how the 2021 bond debt service “wraps” round the combined debt service for Series 8-G and 8-N to generate overall level annual debt service.

Mr. Taylor noted that the Moody’s Credit Rating of A1, Stable Outlook was assigned to the Series 2021 Bonds. This is an affirmation of the current Moody’s credit rating on St. Olaf long-term debt.

Mr. Taylor concluded his presentation and asked if Board members had questions. There were no 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 Resolution Relating to Financing Terms for St. Olaf College, dated January 20, 2021. Mr. Toftey noted that the Resolution reviewed and recited the actions taken previously by the Board and finance professionals related to the St. Olaf Financing Application. The Resolution further authorizes the preparation and distribution of an Official Statement. The Resolution outlines the parameters that the final bond issue must meet, including a not to exceed size and a not to exceed true interest cost.

Mr. Toftey concluded his presentation and asked if there were questions from Board members. There were no questions from Board members.

A motion was made by Gary Benson to approve and accept the Resolution Relating to Financing Terms for St. Olaf College. The motion was seconded by Mary Ives. 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 Financing Terms for St. Olaf College.

Chair Ranum called for a Roll Call vote regarding the approval and acceptance of the Resolution Relating to Financing Terms for St. Olaf College. 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
	Ray Vin Zant	Yes
	Nancy Sampair	Yes

There were no votes against the motion and the Resolution Relating to Financing Terms for St. Olaf College was approved.

Mr. Ranum then asked Mr. Toftey to review the Series Resolution Relating to the Minnesota Higher Education Facilities Authority Revenue Bonds, Series 2021 (St. Olaf College).

Mr. Toftey directed the Board's attention to the Resolution included in the Board information packet. The Resolution includes 12 findings, each of which Mr. Toftey briefly discussed with the Board. The Resolution terms recite the description of the project and the public actions taken to issue the bonds. It outlines the parameters within which the Bonds must be sold for and describes the bond documents applicable to the Bonds. The Series Resolution instructs the Authority and its advisors to undertake and complete all steps necessary or convenient to carry out the terms and provisions of the bond documents and requires no additional resolution by the Authority. 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 Series Resolution. The motion was seconded by Nancy Sampair. 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 Amended and Restated Resolution Relating to the Application of St. Olaf College.

Chair Ranum called for a Roll Call vote regarding the approval and acceptance of the Series Resolution. 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
	Ray Vin Zant	Yes
	Nancy Sampair	Yes

There were no votes against the motion and the Series Resolution was approved.

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

Executive Director Fick joined the Board Meeting at 2:15 pm CDT via video link.

Agenda Item III – Board Member Subcommittee on Inclusion and Diversity

Chair Ranum asked Executive Director Fick to discuss and outline the efforts of the Authority to expand the diversity of the Board and to increase the inclusiveness of the Board membership. Mr. Fick noted that the Authority staff is reaching out to MMB Human Resources to obtain information on groups that MMB Human Resources works with for the same purpose as the Authority is working towards. The Board has discussed establishing a subcommittee of two Board members to work with staff to accelerate the Authority's efforts at diversity and inclusion. Mr. Fick asked for volunteers to join the subcommittee. Board members were asked to contact the Authority regarding their interest in joining the subcommittee.

The Board asked about considering the idea of having a student representative on the Board. Mr. Fick agreed to conduct additional research on the idea of including a student representative and report to the Board at a later meeting.

The Board suggested reaching out to alumni association or faculty members at schools, both private and public to determine if there are alumni or faculty or staff at schools who may be interested in serving on the Authority Board.

Mr. Fick indicated the Authority staff would pursue these options and would provide a follow-up report to the Board at a later date. Mr. Fick asked interested Board members to contact Authority staff with additional ideas or to join the Inclusion and Diversity Subcommittee.

That concluded the discussion. There was no board action required on this matter.

Agenda Item IV – Old Business

Chair Ranum asked Executive Director Fick to update the Board on plans for the 2021 Annual Conference Format and Timing – The 2020 Authority Finance Conference was cancelled due to COVID-19 concerns. In 2021, the Authority will observe 50 years of service to private higher education institutions in Minnesota.

Due to uncertainty about COVID restrictions, it is not practicable to plan for an in-person conference based on the historic April scheduling of the Finance Conference. In addition, the

meeting space in Cray Plaza is permanently closed as the building owners commence the conversion of the Cray Plaza to a residential building.

At the January 6, 2021 meeting of the Authority, staff noted that in view of the ongoing pandemic, State Emergency orders in place, and the lack of available suitable space to hold a conference, staff has determined the best option is to hold a virtual conference on the 3rd Wednesday of April, consistent with the timing of previous conferences. The primary speakers for the conference have been lined up. The conference will again be a ½ day event, planned to begin in mid-morning and conclude by early afternoon. A virtual conference will allow cost-efficient presentation of speakers to participants and it will allow us to expand the participant list as we will not be subject to space limitations. The expanded invitation list will include industry participants, including municipal analysts, Authority members or staff from other states interested in how Minnesota operates and more finance professionals. A virtual conference also reduces the cost of attendance for participants by removing travel time and cost as a limiting factor. A virtual conference is consistent with what other finance groups are doing for their conferences in the first half of 2021. Examples include the Wisconsin HEFA, the GFOA, NACUBO, MSRB, and Minnesota Continuing Legal Education.

Staff is also firming up plans for an in-person gathering in late fall 2021 to celebrate the 50th anniversary of the Authority. This in-person gathering is tentative and it's occurrence depends on the status of Emergency orders, the mitigation of the pandemic, and the ability to have a safe gathering.

The Executive Director and Board members are required to complete a financial disclosure and file their disclosure annually with the Minnesota Campaign Finance Disclosure Board. Operations Manager Lee noted that all Board members have filed their disclosures in a timely manner and expressed appreciation for the timely manner that the disclosures were completed.

Agenda Item V – New Business

The Authority periodically reviews and surveys the business environment for possible risks to the Authority and Authority borrowers. These risks include both external and internal factors and encompass monetary and non-monetary risks. The analysis is presented to the Board for review and comment. Executive Director Fick presented the most current evaluation of risks to the Authority and outlined efforts on mitigation strategies at the January 20, 2021 Authority Board meeting.

The Authority identified the primary risks as i) Market valuation fluctuation, ii) Long-term operations funding, iii) Litigation risk, and iv) Emergency capital equipment replacement / operations funding – including cyber-security risk. Staff believes that the Authority has sufficient financial resources to respond to any individual or combination of these identified risks. Executive Director Fick invited Authority Board members to review the staff evaluation and provide additional thoughts if they would like to assist the staff in its ongoing evaluation of risks.

The Board discussed the staff document and by consensus agreed with the assessment and the allocation of Authority reserves as appropriate mitigation amounts for the identified risks.

Agenda Item VI – Other Business

Chair Ranum asked Mr. Fick if there was any Other Business to be addressed by the Board. Mr. Fick responded that there were no Other Business items for Board member consideration.

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

Board Member, Paul Cerkvenik, excused himself from the Board Meeting.

Closed Session

Chair Ranum next called for the Board to enter into a Closed Session at 2:58 pm CDT. The purpose of the Closed Session is to discuss the following two topics.

- Results of and recommendation by staff of the Municipal Advisor Request for Proposal process
- Operations Manager Performance Review

The Board moved into Closed Session.

The Board returned from Closed Session and Mr. Ranum asked for Board action on the Resolution Authorizing Performance-Based Salary Increase Under Managerial Plan 2019-2021 for Operations Manager Amanda G. Lee.

A motion was made by Mary Ives to approve and accept the Resolution Authorizing Performance-Based Salary Increase Under Managerial Plan 2019-2021. The motion was seconded by Nancy Sampair. Chair Ranum asked if there were any questions, discussion, or changes regarding the Resolution. Board members noted in discussing the Resolution that they are very appreciative of and pleased with the Operations Manager's job performance. There were no other questions related to the Amended and Restated Resolution Authorizing Performance-Based Salary Increase Under Managerial Plan 2019-2021.

Chair Ranum called for a Roll Call vote regarding the approval and acceptance of the Resolution Authorizing Performance-Based Salary Increase Under Managerial Plan 2019-2021. 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
	Ray Vin Zant	Yes
	Nancy Sampair	Yes

There were no votes against the motion and the Resolution Authorizing Performance-Based Salary Increase Under Managerial Plan 2019-2021 was approved.

During the Closed Session, the Board accepted the Authority Staff recommendation related to selection of Municipal Advisors to the Authority Roster of qualified Municipal Advisors. The Board directed Executive Director Fick to work with the Minnesota Attorney General's office to develop and negotiate a standard Professional Services Contract for the members of the Municipal Advisor Roster and bring the Contract before the Board at a future meeting for Board consideration and approval.

There were no other actions taken during the Closed Session.,

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 Gary Benson and seconded by Mary Ives.

The Board then voted by voice vote to adjourn at 3:45 pm, Central Standard Time.

Respectfully submitted,

Bary W. Fick

Assistant Secretary

6- Minutes for 20 Jan 2021 FINAL

Final Audit Report

2021-03-20

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"6- Minutes for 20 Jan 2021 FINAL" History

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