MINNESOTA
HIGHER EDUCATION
FACILITIES AUTHORITY

Listing of Mailout Material
March 17, 2021

- Forwarding Letter
- Meeting Agenda

I. *Review and approve minutes of the meeting of January 20, 2021*

- Minutes of January 20, 2021

II. *Macalester College Series 2021*

- Macalester College Series 2021 Application (excluding exhibits)
- Application Review – North Slope Capital Advisors
- Application Memorandum – Kennedy & Graven
- Preliminary Financing Plan – North Slope Capital Advisors
- Resolution Relating to Application & Financing Terms – Kennedy & Graven
- Series Resolution – Kennedy & Graven

III. *Policy Review: Bylaws and Section 100-300 Edits*

- Standing Rules of Operation

IV. *Old Business*

V. *New Business*

VI. *Other Business*

- February 2021 Budget vs Actual

<u>MEMORANDUM</u>

MINNESOTA
HIGHER EDUCATION
FACILITIES AUTHORITY

380 JACKSON STREET, SUITE 450, ST. PAUL, MN 55101

Main Phone: 651.296.4690 Fax: 651.297.5751

Date: 10 March 2021

To: Minnesota Higher Education Facilities Authority Board Members

From: Barry W. Fick, Executive Director

Subject: March 17, 2021 Authority Board Meeting Preview

Greetings to the Minnesota Higher Education Facilities Authority March 17, 2021 video and teleconference Board meeting. The focus of the March 17, 2021 Board meeting will be the Application of Macalester College for financing a refunding and new money projects.

We will also conduct a Policy review of a portion of Authority Bylaws and some sections of the Authority Standing Rules of Operation.

We will use our video link system for this meeting. Instructions for accessing the video link will be provided to Board members in a separate email.

According to Executive Order issued by the Governor, endorsed and updated by MMB, we are working from home until at least June 30, 2021. We do make occasional visits to the office.

We look forward to your participation by video conferencing or telephone for the meeting.

MINNESOTA
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Board Meeting Agenda

Wednesday, March 17, 2021
2:00 PM

Meeting to be held via electronic means due to pandemic emergency social distancing.

The public should utilize the call-in information provided below.

Individuals may request reasonable accommodation or modifications in order to participate in Authority programs by contacting the Authority at least 48 hours in advance of the event.

I. Review and approve minutes of the meeting of January 20, 2021

II. Macalester College

- Conduct Public Hearing
- Application Review – North Slope Capital Advisors
- Application Memorandum by Bond Counsel – Kennedy & Graven
- Preliminary Financing Plan – North Slope Capital Advisors
- Resolution Relating to Application & Financing Terms – Kennedy & Graven
- Series Resolution - Kennedy & Graven

III. Policy Review: Bylaws and Section 100-300 Edits

IV. Old Business

V. New Business

VI. Other Business

- Executive Director's Report

Meeting to be conducted via video conference – Board Members will receive a link to join the meeting

General Public may attend via call-in number: 1-877-978-6969 Access Code: 198-566-367#

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 Bord, 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,

____
Assistant Secretary

Application for Financing

Higher Education

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

Borrower Information

Name of Borrower: Macalester College

Date: 1/15/2021

Borrower Primary Contact Information:

Name David Wheaton

Title Vice President of Administration and Finance

Email wheaton@macalester.edu

Phone 651-696-6011

Purpose of Financing (Select all that apply)

- [x] Building acquisition, construction or renovation, site or equipment acquisition
- [x] Refinancing of one or more Authority bond issues
- [ ] Refinancing of one or more indebtedness not issued by the Authority

Each of the following should be treated as a separate element and described separately, starting with "Project A." If not located on the main campus, please include the street address.

- each new building or complex of buildings (square footage, beds or floors)
- renovations associated with a particular building or site
- equipment that is not related to either the proposed new buildings or existing buildings that are to be renovated
- each Authority bond issue to be refinanced, specifying the series name
- each other indebtedness that is to be refinanced, specifying the date incurred, the lender and the capital project that was financed

Project A: Replace the roof on the Olin building.

Project B: Replace the roofs on Macalester College's Campus Center building and Library.

Project C: Replace the roof on Macalester College's Humanities building.

Project D: Refinance Remaining Series 7S

Estimated Cost Summary

	Project A	Project B	Project C	Project D	Total
Construction cost	$ 660,000	$ 1,080,000	$ 595,000		$ 2,335,000
Architectural, engineering and consultant costs	$ 5,500	$ 27,000	$ 20,000		$ 52,500
Furnishings and equipment					$ 0
Site acquisition					$ 0
Principal amount of debt to be refinanced				$ 12,655,000	$ 12,655,000
Other (excluding issuance costs and reserves)					$ 0
Total	$ 665,500	$ 1,107,000	$ 615,000	$ 12,655,000	$ 15,042,500

Estimated Financing Summary

	Project A	Project B	Project C	Project D	Total
Amount of funds from other sources			$ 347,500		$ 347,500
Amount of project cost (excluding issuance costs and reserves) to be financed with Authority bonds	$ 665,500	$ 1,107,000	$ 267,500		$ 2,040,000
Principal amount of debt to be refinanced				$ 12,655,000	$ 12,655,000
Total	$ 665,500	$ 1,107,000	$ 615,000	$ 12,655,000	$ 15,042,500

Please give the approximate dates of any of the following steps that have already been taken:

	Project A	Project B	Project C	Project D
Construction has started				
Construction contract has been awarded				
Purchase contract for materials or equipment has been awarded				

Is any part of the facilities, now or in the future, to be managed or otherwise used by any person other than the borrower?

☐ Yes ☑ No

If you checked "YES," please describe briefly the location and extent of the use and whether the user is an exempt organization under Section 501(c)(3) of the Internal Revenue Code:

Will any of the following actions violate any provisions of the articles of incorporation, the bylaws or constitution of the borrower or of any affiliated organization, any existing mortgage, deed, contract or other agreement, or any state, local or federal law, rule, regulation or ordinance?

Entering into a loan agreement with the Authority for the repayment of bond proceeds?

☐ Yes ☑ No

Completing the proposed project or prepaying the Authority bonds or other debt that will be refinanced?

☐ Yes ☑ No

Entering into a mortgage or security agreement to secure repayment to the Authority?

☐ Yes ☑ No

Proposed Timing Summary

	Project A	Project B	Project C	Project D
Start date	5/24/2021	5/23/2022	5/22/2023	
Completion date	8/31/2021	8/31/2022	8/31/2023	
Acquisition date if the project is only for equipment				
Optional redemption date for refinancings				

How will this bond issue be sold?

☑ Competitive public sale

☐ Negotiated public offering

☐ Private placement

☐ Undecided

When do you wish to close on the bond issue?

- [x] As soon as practical
- [ ] No later than:
- [ ] Not sooner than:

What is the expected source of funds to repay the loan of bond proceeds? (check all that apply)

- [x] Operating funds
- [ ] Additional revenue from the project
- [ ] Gifts from private donors
- [ ] Grants from governmental sources
- [ ] Other

If repayment is not expected to be entirely from operating funds, state the approximate amount from the other sources and whether such funds are temporarily or permanently restricted in any way as to use:

Is credit or liquidity enhancement expected? (check all that may apply)

- [ ] Bond insurance
- [ ] Letter of credit
- [ ] Standby bond purchase agreement for tendered bonds
- [ ] Guaranty

What is the status of any application for the foregoing?

What are the preferred scheduled payment dates?

Month and earliest year for annual principal payments: March 2022

Earliest month and earliest year for interest payments: October 2021

Are revenues available to pay interest during the construction period?

☐ Yes ☐ No, interest should be capitalized for _____ months ☑ Not Applicable

The following two questions apply to all refinancings. Please select "Not Applicable" if this does not apply.

☐ Not Applicable

1. Has the original project been completed substantially in accordance with the plans and specifications?

☑ Yes ☐ No

2. Has there been a default by the institution or by any other party, in the performance of the covenants and conditions relating to the Authority bonds or other debt to be refinanced?

☐ Yes ☑ No

The following four questions apply to refinancing debt that is not Authority issued bonds. Please select "Not Applicable" if this does not apply.

☑ Not Applicable

1. Will the proposed refinancing enhance and preserve the borrower and the facilities being refinanced or utilization thereof for educational purposes?

☐ Yes

☐ No, because:

2. Will the proposed refinancing extend or adjust maturities to correspond to the resources available for their payment?

☐ Yes

☐ No, because:

3. Will the proposed refinancing reduce the tuition charges or fees imposed on students for the use of such facilities or costs met by state or federal funds?

☐ Yes

☐ No, because:

4. Will the proposed refinancing enhance or preserve educational programs and research or other facilities eligible to be a project or part thereof?

☐ Yes

☐ No, because:

The table below applies to refinancing debt that is <u>not</u> Authority issued bonds. Please check "Not Applicable "if this does not apply.

- [x] Not Applicable

Statutory Maximum to Refinance Debt Other Than Authority Bonds

	Project A	Project B	Project C	Project D
(a) Original project costs				
(b) Principal amount of any debt (other than Authority bonds) to be refinanced				
(b) Accrued but unpaid interest on debt (other than Authority bonds) to be refinanced				
(b) Prepayment premium (or discount) on debt (other than Authority bonds) to be refinanced				
(c) Appraised value of project				
(c) Depreciated equipment				
Maximum allowable: the lesser of (a) original cost, (b) principal, interest and premium and (c) present value				

Check below if any of the projects are located in or involve any of the following:

- [ ] Riparian frontage
- [ ] Shoreland area
- [ ] Delineated flood plain
- [ ] State or Federally designated wild and scenic rivers district
- [ ] Minnesota River Project Riverbend area
- [ ] Mississippi River headwaters area

If there are any potential environmental issues, please summarize the major environmental issues:

Governmental Approval Summary

	Project A	Project B	Project C	Project D
Zoning variance or change	☑ not applicable ☐ received ☐ pending	☑ not applicable ☐ received ☐ pending	☑ not applicable ☐ received ☐ pending	☑ not applicable ☐ received ☐ pending
Building permit	☐ not applicable ☐ received ☑ pending	☐ not applicable ☐ received ☑ pending	☐ not applicable ☐ received ☑ pending	☐ not applicable ☐ received ☑ pending
Other governmental approval	☑ not applicable ☐ received ☐ pending	☑ not applicable ☐ received ☐ pending	☑ not applicable ☐ received ☐ pending	☑ not applicable ☐ received ☐ pending
Environmental Assessment Worksheet	☑ not applicable ☐ received ☐ pending	☑ not applicable ☐ received ☐ pending	☑ not applicable ☐ received ☐ pending	☑ not applicable ☐ received ☐ pending
Environmental Impact Statement	☑ not applicable ☐ received ☐ pending	☑ not applicable ☐ received ☐ pending	☑ not applicable ☐ received ☐ pending	☑ not applicable ☐ received ☐ pending

If one or more governmental approvals are pending, please describe the status of the application process and whether approval is expected before the bond closing:

Borrower Contact Information:

Legal name of corporate borrower and street address:

Macalester College
1600 Grand Avenue, St. Paul, MN 55105

President of College or University:

Dr. Suzanne Rivera

Chief Financial Officer (please give name, title, preferred mailing address, telephone, fax and email address):

David Wheaton, Vice President of Administration & Finance
1600 Grand Ave, St. Paul, MN 55105

Additional staff assisting with the project (please give name, title, preferred mailing address, telephone, fax and email address):

Nathan Lief, Director of Facilities
1600 Grand Avenue, Saint Paul, MN 55105

Attorney (please give name of firm and the responsible individual as well as preferred mailing address, telephone, fax and email address)

Zachary Olson, Fredrikson & Byron
200 South Sixth Street, Suite 4000, Minneapolis, MN 55402

Independent Auditor (please give name of firm and the responsible individual as well as preferred mailing address, telephone, fax and email address)

Deirdre Hodgson, CLA Principal
220 South Sixth Street, Suite 300, Minneapolis MN 55402

Description of Accreditation and Degrees:

If the principal institutional accreditation is not North Central Association of Colleges and Secondary Schools, please state the principal accreditor:

Degrees conferred are:

- ☐ Associate of Arts
- ☐ Associate of Applied Science
- ☐ Associate of Science
- ☑ Bachelor of Arts
- ☐ Bachelor of Fine Arts
- ☐ Bachelor of Music
- ☐ Bachelor of Music Education
- ☐ Bachelor of Science
- ☐ Master of Arts
- ☐ Master of Business Administration
- ☐ Master of Education
- ☐ Master of Fine Arts
- ☐ Master of Science
- ☐ Master of Social Work
- ☐ Master of Physical Therapy
- ☐ Doctor of Chiropractic Medicine
- ☐ Doctor of Education
- ☐ Doctor of Philosophy
- ☐ Doctor of Public Administration
- ☐ Doctor of Psychology
- ☐ Juris Doctor
- ☐ Others:

Religious Affiliations

1. Does the institution receive support from any church body?

☐ Yes ☑ No

2. Does a church body or religious order control the election of any trustees or officers?

☐ Yes ☑ No

3. Is the consent of any religious order or any other corporation necessary before the instution may sell or motgage its property or borrow money?

☐ Yes ☑ No

4. Are there any religious qualifications for faculty appointments?

☐ Yes ☑ No

5. If the institution teaches courses in religion or theology, does the institution confer a theology degree or otherwise prepare students for a religious vocation?

☐ Yes ☑ No

6. If the institution teaches courses in religion or theology, does the institution teach the distinctive doctrines, creeds or tenets of any particular religious sect?

☐ Yes ☑ No

7. Are the students required to attend chapel or other religious service?

☐ Yes ☑ No

Please explain if you have answered “YES” to any of the foregoing seven questions:

Teaching and Admission Standards

1. Does the institution and its faculty subscribe to the Statement of Principles of Academic Freedom promulgated by the American Association of University Professors and the Association of American Colleges?

- [x] Yes
- [ ] No

2. Are all courses of study, including any religion and theology courses, at the institution taught according to the academic requirements of the subject matter and the individual instructor's concept of professional standards?

- [x] Yes
- [ ] No

3. Does the institution admit students without regard to race, color, religion or national origin?

- [x] Yes
- [ ] No

Please explain if you have answered "No" to any of the foregoing three questions:

No Discriminatory Practices

1. Does the institution unlawfully discriminate in any manner in the full utilization or benefit of the institution or its services because of gender, race, color, creed, national origin or other basis?

- [ ] Yes
- [x] No

2. Does the institution expel, limit or otherwise unlawfully discriminate against enrolled students because of gender, race, color, creed, national origin or other basis?

- [ ] Yes
- [x] No

3. Does the institution unlawfully discriminate in hiring, promotion, salary, and assignments or in any other matter in its employment practices, because of gender, race, color, creed, national origin or other basis?

- [ ] Yes
- [x] No

Please explain if you have answered "Yes" to any of the foregoing three questions:

LIST OF EXHIBITS

(please number consecutively)

For traditional undergraduate and graduate programs and any nontraditional programs that provide substantial revenue: (A) Enrollment information (head count and full-time equivalent) submitted to the Office of Higher Education for the five-year period immediately preceding this application, (B) Projected head count and full-time equivalent enrollment for the five-year period following this application and (C) Applications, acceptances and matriculations for first year students during the past five fall terms.

- [x] attached as Exhibit 1
- [ ] not attached because project is for equipment only under lease program

Most recent published tuition, room and board fee schedule, and any supplemental charges.

- [x] attached as Exhibit 2
- [ ] not attached because project is for equipment only under lease program

List of all outstanding indebtedness (excluding debt that will be refinanced with new Authority bonds), including interest rates, amounts, repayment schedule and description of the mortgage or other collateral securing payment.

- [x] attached as Exhibit 3
- [ ] not attached because project is for equipment only under lease program

Description of any debt limitation, covenant or restriction to which the institution is subject, with a statement by the Chief Financial Officer and supporting calculations as to compliance with such debt limitation, covenant or restriction.

- [x] attached as Exhibit 4
- [ ] not attached because project is for equipment only under lease program

Audited financial statements for each of the past five fiscal years. May be provided by reference to your website (please state specific website address below), sent electronically, or on a labeled CD (mailed or delivered).

- [ ] attached as Exhibit __
- [x] Website address: https://www.macalester.edu/cfo/statements/

Current operating budget.

- [x] attached as Exhibit 5

Current college catalog for undergraduate and graduate programs. May be provided by reference to your website (please state specific website address below), sent electronically, or on a labeled CD (mailed or delivered).

- [ ] attached as Exhibit __
- [x] Website address: https://catalog.macalester.edu/

Current faculty handbook. Please provide the website address, send electronically, or on a labeled CD (mailed or delivered).

- [ ] attached as Exhibit __
- [x] Website address: https://docs.google.com/document/d/1jrZ3No-idNNOYiqV2pBT9HghQs_2utJRFY_eFI5mLbs/edit

List of current board members and officers.

- [x] attached as Exhibit 6

Copy of the current articles of incorporation. If the institution was incorporated under a special act, a copy of the special act with all amendments should be provided. Please include any amendments that are expected to be proposed for approval.

- [x] attached as Exhibit 7

Copy of the current bylaws of the corporation. Please include any amendments that are expected to be proposed for approval. Please include any other similar corporate guidelines such as a "constitution".

- [x] attached as Exhibit 8

Copy of the articles of incorporation and bylaws of any affiliated religious or other organization that must approve any action by the institution to sell or mortgage its property or to borrow money.

- [ ] attached as Exhibit __
- [x] not applicable

Copy of the most recent ruling or letter from the Internal Revenue Service confirming that the institution is an organization described in Section 501(c)(3) of the Internal Revenue Code.

- [x] attached as Exhibit 9

Copy of the most recent letter from the Office of Higher Education confirming registration under Minnesota Statutes, Section 136A.61 to 136A.71.

- [x] attached as Exhibit 10

Description of any pending litigation that is uninsured and would have a material adverse financial impact if resolved against the institution. In addition, please describe any charge filed against the institution by a state or federal agency or any individual or group alleging unlawful discrimination by the institution.

- [ ] attached as Exhibit __
- [x] no pending litigation

Either (A) a copy of a survey of the site (as built, if this is a refinancing) of the project, including the related legal description or (B) a plat map or other depiction of the project site that clearly shows the location of existing and proposed buildings and the relationship to a legal description. If a mortgage is necessary for this financing, a survey will be required and it must show any right-of-way necessary for access by the mortgagee or new owner to a public street or highway and all easements and other legal encumbrances.

- [ ] attached as Exhibit __
- [x] arrangements for a survey or plat map will be made before bonds are offered for sale
- [ ] not attached because project is for equipment only under lease program

Either (A) a commitment to issue a title insurance policy in an owner's or mortgagee's form or (b) a preliminary opinion of title based upon an examination of real estate records covering the project site and certified to within approximately 30 days of the date of the opinion. All exceptions, liens and encumbrances should be noted on the commitment or opinion. The evidence should indicate that title or suitable ownership interest is held by the institution or a seller of any real estate to be acquired with this financing.

- ☐ attached as Exhibit ___
- ☑ arrangements for evidence of ownership will be made before bonds are offered for sale.
- ☐ not attached because project is for equipment only under lease program

Copy of the resolution of the governing board (or the executive committee) of the institution in a form similar to Attachment A declaring official intent to reimburse itself from bond proceeds and authorizing submission of the Application.

- ☑ attached (showing the effective date) as Exhibit 11
- ☐ not attached but will be adopted on ______________________________ (must be before public hearing)
- ☐ not applicable because this application is solely for refunding Authority bonds.

Copy of the resolution of the governing board (or the executive committee) of the institution in a form similar to Attachment B authorizing submission of this Application.

- ☑ attached (showing the effective date) as Exhibit 11
- ☐ not applicable because a resolution similar to Attachment A is submitted

Certification by the architect in a form similar to Attachment C that the estimated costs of the items comprising the total structure costs are considered to be realistic and have been made according to accepted architectural practices for developing preliminary estimates.

- ☐ attached as Exhibit ___
- ☑ not applicable because no construction or significant renovation is proposed

The following exhibits apply only to refinancing of debt that is <u>not</u> Authority bonds. Please select "Not Applicable" if this does not apply.

- ☑ Not Applicable

Copy of all loan agreements, promissory notes, financing agreements, indentures, mortgages or other documents relating to the debt (that is not Authority bonds) to be refinanced, together with all amendments or modifications. May be provided on a labeled CD.

- ☐ attached as Exhibit ___

Copy of all leases, management agreements, use agreements or other documents relating to the capital project originally financed by the debt (that is not Authority bonds) to be refinanced, together with all amendments or modifications. May be sent electronically or provided on a labeled CD (mailed or delivered).

- ☐ attached as Exhibit ___

Copy of current appraisal of capital project originally financed by the debt (that is not Authority bonds) to be refinanced prepared by an appraiser with the MAI designation or the equivalent.

- ☐ attached as Exhibit ___

Signature and Certifications

The undersigned officers of the borrower hereby certify that the Application, including the enclosed exhibits are complete and correct. We have reviewed and hereby accept the terms of the Indemnity Agreement as set forth in Attachment D.

(Chief Executive Officer)

Signature: Suzanne M. Rivera

Title: President

And

(Chief Financial Officer)

Signature:

Title: Vice President of Administration and Finance

Date of this Application: 1/15/21

Delivery Instructions

The following two items must be received by the Authority in order to proceed with the financing:

- [x] Signed Application, together with exhibits, for the Authority
    - Email to bwf@mnhefa.org (cc: agl@mnhefa.org)
    - Signed Application, together with exhibits, will be forwarded by the Authority to Bond Counsel and the Financial Advisor
- [x] $1,000 Application Fee
    - Checks should be made payable to: Minnesota Higher Education Facilities Authority
    - Mail or Deliver check to:

      Minnesota Higher Education Facilities Authority

      380 Jackson Street, Suite 450

      Saint Paul, MN 55101

      651-296-4690
    - Electronic payment is also available. Please contact the Authority for banking information if preferred.

RESOLUTION DECLARING OFFICIAL INTENT TO REIMBURSE AND AUTHORIZING SUBMISSION OF APPLICATION TO THE MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

WHEREAS, this Corporation is considering various means of financing the project described generally as the acquisition, construction, improvement and equipping of various facilities, including:

[Provide description such as classroom facility, residence hall for__________students, parking for__________ spaces, telecommunication equipment, __________ seat auditorium or stadium]

(collectively, the "Project") through taxable or tax-exempt debt; and

WHEREAS, the Corporation desires that the Project costs that may be paid prior to the issuance of tax-exempt bonds qualify for reimbursement from the proceeds of such tax-exempt bonds under Treasury Regulations Section 1.150-2;

NOW BE IT RESOLVED AS FOLLOWS:

1. The officers of this Corporation, acting individually or together, are authorized to prepare and submit a financing application to the Minnesota Higher Education Facilities Authority, provided that the officers shall obtain further approval from this Board as to the final terms and conditions of the borrowing or, subject to certain conditions described below, from the Executive Committee of this Board, as to the final terms and conditions of the borrowing.

2. Certain expenditures relating to the Project may be incurred and paid prior to the issuance of tax exempt bonds and this Board hereby declares the intent of the Corporation, for purposes of Section 1.150-2 of the Treasury Regulations, to reimburse itself for all or part of such expenditures from tax exempt bonds expected to be issued for the Project in the approximate maximum principal amount of $ (plus such additional principal amount necessary to provide for costs of issuance, net original issue discount, credit enhancement and any debt service reserve fund). Authority is hereby specifically conferred on any officer of this Corporation, to make such further declarations of official reimbursement intent on behalf of this Corporation as may be necessary or desirable.

3. The Executive Committee is authorized to give such approval as to the final terms and conditions of the borrowing on behalf of this Corporation as may be necessary or desirable, in lieu of the Board approval, provided that the maximum principal amount of the bonds shall not exceed the amount described in paragraph 2 above and the true interest cost on the bonds shall not exceed _____ %.

Adopted on_____

RESOLUTION AUTHORIZING SUBMISSION OF APPLICATION TO THE MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

WHEREAS, the [chief financial officer and/or the chief executive officer] of this Corporation has presented to this Board a proposal for the financing of

[refunding of certain bonds outstanding in the approximate amount of $_____ issued in [year] _____ as Series_____ for the construction, acquisition, improvement of the _____ building(s) and the acquisition and installation of _____ equipment.]

[refinancing of taxable debt outstanding in the approximate amount of $_____ incurred in [year]_____ with _____ as the lender for the construction, acquisition, improvement of the _____ building(s) and the acquisition and installation of _____ equipment.]

NOW BE IT RESOLVED AS FOLLOWS:

1. The officers of this Corporation, acting individually or together, are authorized to prepare and submit a financing application to the Minnesota Higher Education Facilities Authority with all necessary exhibits, provided that the officers must obtain further approval from this Board or, subject to certain conditions described below, from the Executive Committee of this Board, as to the final terms and conditions of the borrowing.

2.. The Executive Committee is authorized to give such approval as to the final terms and conditions of the borrowing on behalf of this Corporation as may be necessary or desirable, in lieu of the Board approval, provided that the approximate maximum principal amount of the bonds shall not exceed $_____(plus such additional principal amount necessary to provide for costs of issuance, net original issue discount, credit enhancement and any debt service reserve fund) and the true interest cost on the bonds shall not exceed _____%.

Adopted on_____

Attachment C

ARCHITECT'S CERTIFICATION

EXHIBIT __

This is to certify that the estimated costs of the items comprising the total structure costs are considered to be realistic and have been made according to accepted architectural practices for developing preliminary estimates.

____

Date

____

Signature of Architect

____

Name of person signing and title

____

Company name

____

Address

____

Telephone number

INDEMNITY AGREEMENT

Terms and conditions relating to any application by a nonprofit corporation, as operator of an institution of higher education (the "College") in the State of Minnesota for financing through the Minnesota Higher Education Facilities Authority (hereinafter called the "Authority"), an agency of the State of Minnesota.

1. For purposes of the Indemnity Agreement, the following terms are assigned the meaning set forth below:

"Act" means Minnesota Statutes, Section 136A.25 to 136A.42, as amended.

"*Authority, its agents and representatives*" includes any member or officer of the Authority, any employee of the State of Minnesota assigned to work with or for the Authority on a full time or part time basis, the Authority's financial advisor, the Authority's bond counsel, and, if approved by the College, any other consultant employed by the Authority in connection with the project.

"*Bonds*" includes bonds, notes and lease obligations.

"*Bond counsel*" means any law firm appointed by the Minnesota Attorney General's Office to act as bond counsel for the Authority.

"*Financial advisor*" means any firm appointed by the Authority to provide financial advisory services with respect to bonds of the Authority.

2. The College has submitted an application to the Authority for financing assistance under the Act, together with exhibits thereto (collectively, the "Application"). Such Application is true and complete in all respects, and if any change or event shall occur to make the Application untrue, incomplete or misleading, or if the College shall discover that the Application is untrue, incomplete or misleading, the College will notify the Authority promptly in writing.

3. The College will indemnify and hold the Authority, its agents and representatives harmless from any loss, liability or expense which they or any of them may incur or suffer as a result of (a) any untrue, incomplete or misleading statement or information provided or approved by the College and contained in the Application or subsequently furnished to the Authority, its agents or representatives or (b) any statement or information relating to the College, the College's project or operations of the College contained in any Official Statement or other public or private offering document approved by the College in connection with the issuance or sale of bonds for the College, if such statement or information is untrue or incorrect in any material respect or if there is an omission of any statement or information which should be contained therein or which is necessary to make the statements therein relating to the College, the College's project or the College's operations not misleading in any material respect.

4. Any written item furnished by an officer, director, trustee or employee of the College or by an architect, engineer, attorney or other consultant designated by the College in the Application or otherwise as being consultant to the College in respect of the project, shall be deemed to have been furnished by the College. Any item prepared by the Authority, its agents and representatives shall be deemed to have been approved by the College, if approved orally or in writing, (i) by an officer of the College or of its governing board or (ii) by a person designated as an authorized representative of the College by an officer of the College or of its governing board.

5. The College reserves the right to withdraw its Application any time before the Application is approved by the Authority, which approval shall be evidenced by a resolution of the members of the Authority at a regular or special meeting of the Authority. However, the Application fee, where required, is non-refundable whether or not the Application has been withdrawn and whether or not any bonds are issued for the College as proposed in the Application. However, any application fee will be credited against the first annual administrative fee.

6. The College understands that bond counsel and the financial advisor will use their best efforts in completing the financing pursuant to the Act. Without limiting the generality of the foregoing:

(a) The financial advisor is authorized (i) to investigate the feasibility of the project and the financing thereof, (ii) to make recommendations with respect thereto to the Authority and the bond counsel, (iii) to prepare, in consultation with the College and the bond counsel, an Official Statement describing the bonds, the project and the College and (iv) to present information respecting the College, the project and the bonds to any other person having a legitimate present or prospective interest in the project or bonds, including any investment banker, federal agency, bond rating agency, credit enhancement provider, or financial or other information media.

(b) The bond counsel is authorized (i) to investigate all legal questions respecting the College and the acquisition and financing of the project, (ii) to examine the corporate documents respecting the organization of the College, abstracts of title, construction contracts, leases and other agreements relating to the College or project, (iii) to render opinions on any such matters to the Authority, the financial advisor, the College or any other person having a legitimate present or prospective interest in the project or bonds, and (iv) to prepare forms of (A) Agreement between the Authority and the College, (B) Trust Indenture by the Authority to a trustee for the bondholders, (C) other related documents, (D) Resolutions to be adopted by the Authority and the College relating to the foregoing, and (E) any amendment or supplement to any of the foregoing deemed necessary or desirable by bond counsel.

(c) The Authority intends (i) to review all such recommendations, opinions and documents relating to the financing, (ii) to review all such additional documents as may be furnished by the College, and (iii) to present information respecting the College, the project and the bonds to any person having a legitimate present or prospective interest in the project or bonds.

7. The College agrees to pay the reasonable fees and expenses of the bond counsel and financial advisor and, if approved by the College, of any consultant employed by the Authority for services rendered after submission of the Application and any out-of-pocket expenses incurred by them on account of the project. The College further agrees to pay any out-of-pocket expenses incurred by the Authority on account of the project. The agreements on the part of the College contained in this paragraph 7 shall be enforceable by the Authority and by the financial advisor, bond counsel and (if approved by the College) other consultant employed by the Authority, whether or not the Application is approved or the project completed or bonds issued by the Authority and, without regard to cause.

8. The College agrees (i) to furnish as promptly as possible all information requested by the Authority, its agents and representatives, (ii) to make available to the Authority, its agents and representatives, all books and records, contracts, documents and reports of the College pertaining to the project and the organization and financial condition of the College, and (iii) to review all documents prepared by the Authority, its agents and representatives, as contemplated by paragraph 7, and communicate approval or request changes as the College may deem necessary or appropriate in its own best interests.

9. The Authority may terminate progress towards issuing bonds at any time and for any reason including: (a) failure by the College to perform the actions specified in paragraph 8, (b) the Application or other materials furnished by the College contains statements or omissions which are materially false or misleading, (c) either the College's project or issuing bonds for the College's project is not economically feasible, (d) the College is not an eligible institution under the Act or (e) the project is not an eligible project under the Act. Before the Authority terminates a financing under this paragraph 9, it shall notify the College at least 10 days in advance of the date of the Authority's regular or special meeting at which termination will be considered and to provide a reason for the termination. The College shall have the right to appear at such meeting and object in person or by writing to the proposed action of the Authority. The College agrees that the action of the Authority shall be final and binding upon the College.

10. The College has the right to terminate, for any reason and without cause, the financing at any time before bonds are sold by the Authority. Copies of such notice shall be sent to the Authority, its bond counsel, financial advisor and any other consultant employed by the Authority for the financing. Thereafter, the Authority's bond counsel, financial advisor and any other consultants shall not render further services, and neither they nor the Authority shall incur further expenses for the account of the College relative to the financing, except such minor services and expenses as may reasonably be required to wind up and protect the work done to the date of receipt of notice.

North Slope Capital Advisors
1165 Delaware Street, Suite 140
Denver, CO 80204
303-953-4101

March 17, 2021

Minnesota Higher Education Facilities Authority
c/o Mr. Michael D. Ranum, Board Chair
and Mr. Barry W. Fick, Executive Director
380 Jackson Street, Suite 450
Saint Paul, MN 55101

Dear Mr. Ranum, Mr. Fick, & Authority Board Members:

As the independent registered municipal advisor for the Authority, we are pleased to provide the following review of the financing application submitted by Macalester College (the "College") for assistance from the Minnesota Higher Education Facilities Authority (the "Authority") to issue its Series 2021 Revenue and Refunding Bonds (the "Bonds") to:

(1) finance various improvements to the College's buildings, including replacing the roofs on the Olin building, the Campus Center Building, the Library and the Humanities Building (the "Project"),
(2) refinance all the remaining outstanding Series 7S Bonds (2012) for savings, and
(3) fund the costs of issuing the Bonds.

Provided below is a summary of the financing followed by a detailed review of the College's credit profile, the Project, and the proposed financing.

Financing Summary	
Par Amount (Estimated as of 3-9-2021)	$13,045,000
Financing Type	New Money and Refunding
Project	Roof Replacements
Prior MHEFA Bonds Outstanding (as of 3/1/2021)	Series 2017 - $32,055,000 Series Eight-J (2015) - $16,125,000 Series Seven-S (2012) - $13,055,000 Series Five-Q (2003) - $15,300,000 Series Three-Z (1994) - $6,660,000
Current Underlying Rating	Aa3/VMIG-1 (Negative) as of 12/08/2020
Underwriter	Piper Sandler
Bond Counsel	Kennedy & Graven, Chartered
Issuance Date (Estimated)	April 2021

Based on our initial review of the material provided by the College, as well as the debt service pro formas provided by the Underwriter, it is North Slope's opinion that a borrowing in the amount required to achieve its purposes is fiscally feasible and that a bond with adequate security can be structured. Accordingly, North Slope will be attending the Authority's meeting on March 17, 2021 to present our review of the College's application and answer any questions.

Respectfully submitted,

NORTH SLOPE CAPITAL ADVISORS by
Steph M. Chichester, President

NORTH SLOPE CAPITAL ADVISORS by
Nick E. Taylor, Managing Director

cc: Mr. David Wheaton, Vice President of Finance and Administration
Ms. Patricia Langer, Assistant Vice President of Finance and Administration

The College

History

Macalester College ("Macalester" or the "College") is a private, four-year liberal arts institution located in St. Paul, Minnesota. The College was founded in 1874 with help from the Presbyterian Church in Minnesota and the College opened on September 15, 1885. Macalester offers over 800 courses and 39 majors and students may also design their own interdisciplinary majors. The academic calendar at Macalester is divided into a 14-week fall semester (September to December) and a 14-week spring semester (January to May). The College is Accredited by the North Central Association of College and Secondary Schools and the College is registered with the Minnesota Higher Education Services Office in accordance with Minnesota Statutes.

Enrollment

The College's headcount and full-time enrollment trends for the last five fall semesters are reflected in the table below.

Fall	**2020**	**2019**	**2018**	**2017**	**2016**
Headcount	2,049	2,098	2,174	2,136	2,146
Change (#)	(49)	(76)	38	(10)	(26)
Change (%)	-2.39%	-3.62%	1.78%	-0.47%	-1.21%
FTE	2,022	2,082	2,151	2,107	2,121
Change (#)	(60)	(69)	44	(14)	(28)
Change (%)	-2.97%	-3.31%	2.09%	-0.66%	-1.32%

Over the last several years, due to capacity constraints, the College right sized its enrollment target with the objective to maintain full-time enrollment of 2,025. While the College budgeted for a more gradual decline in enrollment over the last two academic years, the College is currently close to meeting its target with a reported full-time enrollment of 2,022 for Fall 2020. Positively, in Fall 2020, the College successfully enrolled 547 new first-year students, a 9% increase from Fall 2019, and reported 66 student deferrals for Fall 2021. Retention and graduation rates have been solid over the last decade with over 90% of students on average returning year-over-year and 85% of students on average graduating by their fourth year. While the College recently experienced slight dips in retention, these were mostly attributed to "Leave of Absence" requests due to the COVID-19 pandemic.

The College continues to admit qualified men and women from varied geographical, cultural, economic, racial, and religious backgrounds, consisting of students from around the country and internationally with 84% of full-time students enrolled from outside Minnesota. Further, the College's shift from a need-blind to a need-aware assessment in its admissions and financial aid evaluation has resulted in an increase to both the percentage of students receiving financial aid and the percentage of students from low-income backgrounds in recent years. Finally, in January, President Rivera announced a partnership between the College and the Posse Foundation with a goal of recruiting and supporting Black, Indigenous and other students of color to the Macalester community through financial aid and programmatic support. The goal of the partnership is to progress toward building a more diverse student body and increase support for low-income and students of color more generally, furthering the College's need-aware policies.

Summary of Financial Operations

Over the last four fiscal years, annual operating expense growth (2.3%) has surpassed annual operating revenue growth (0.6%) with the primary driver being the College's objective to right-size enrollment levels. In fiscal year 2020, the negative operating margin was attributed to partial refunds provided to students for residence and dining charges in the amount of $3 million.

Provided in Appendix A is a *Statement of Activities and Change in Net Assets* for the College's two prior fiscal years ending May 31, 2020 and May 31, 2019 which presents information about the College's operating activities derived from the audited financial statements.

Summary of Financial Position

The College maintains very good liquidity providing over 350 days cash on hand, and ample spendable cash and investments that cover annual expenses by 3.0x based on fiscal year 2020 operating expenses. As demonstrated below, while the College's total assets have decreased by around 8.0% from Fiscal Year 2018 to Fiscal Year 2020, liabilities have also decreased at a slightly higher percentage (8.20%) over the same time period. Further, to buffer against unforeseen operating pressures due to the pandemic, the College entered into a $20 million line of credit to boost liquidity if needed. To date, the College has not drawn on the line of credit.

ASSETS	2020	2019	2018	2017	2016
Total Assets	$ 1,007,705	$ 1,074,115	$ 1,096,074	$ 1,043,222	$ 994,641
LIABILITIES					
Total Liabilities	119,761	125,234	130,415	109,710	115,016
NET ASSETS					
Without donor restrictions	206,178	214,569	209,115	203,984	-
With donor restrictions	681,766	734,312	756,544	729,528	-
Unrestricted	-	-	-	-	196,200
Temporarily restricted	-	-	-	-	322,092
Permanently restricted	-	-	-	-	361,333
Total Net Assets	887,944	948,881	965,659	933,512	879,625
TOTAL LIABILITIES AND NET ASSETS	$ 1,007,705	$ 1,074,115	$ 1,096,074	$ 1,043,222	$ 994,641

Provided in Appendix B is *Statements of Financial Position* for the College's prior five fiscal years ending May 31, 2020 thru May 31, 2016 which presents information about the College's assets, liabilities and net assets derived from the audited financial statements.

Summary of Outstanding Debt

As of March 1, 2021, the College had $83,195,000 of outstanding bonds as summarized below.

Outstanding Debt				
Series	*Issue Date*	*Original Principal*	*Outstanding Principal*	*Mode*
Series 2017	November 8, 2017	$ 40,315,000	$ 32,055,000	Fixed Rate
Series Eight-J	October 1, 2015	22,660,000	16,125,000	Fixed Rate
Series Seven-S	December 12, 2012	14,730,000	13,055,000	Fixed Rate
Series Five-Q	February 20, 2003	15,300,000	15,300,000	Synthetic Fixed*
Series Three-Z	September 14, 1994	6,660,000	6,660,000	Variable Rate
Total		$ 99,665,000	$ 83,195,000	

*The Series Five-Q Variable Rate Demand Bonds are subject to an interest rate swap which expires on March 1, 2030.

The proposed issuance of Bonds will represent a slight increase to the College's outstanding debt due to the refinancing of the outstanding Seven-S Bonds and the expected new issue premium to be generated from the bond sale. The College's liquidity is expected to remain robust with projected spendable cash and investments providing a strong 4.8x coverage of outstanding and proposed debt. The College's debt burden (maximum annual debt service as a percent of operating expenses) will remain unchanged at 7.27% and the College's total debt will remain well-below Moody's "Aa" private university median of $317 million.

The Project

The College has decided to issue a portion of the Series 2021 Bonds to finance the replacement of the roofs on the Olin Building, the Campus Center Building, the Library and the Humanities Building. The total cost of the Project is expected to be $2,387,500 with approximately $2,040,000 of Bond proceeds to finance the Project and the remaining $347,500 coming from other sources of the College. Construction on the Olin Building roof is expected to commence in late May 2021 with an expected completion by August 31, 2021; construction on the roofs on the College's Campus Center Building and Library are expected to commence in May 2022 with an expected completion by August 2022; and construction on the roof on the Humanities Building is expected to commence in May 2023 with an expected completion by August 2023.

The Financing

The College anticipates issuing one series of fixed rate, tax-exempt bonds to finance the Project, refinance all the remaining outstanding Series 7S Bonds (2012) and pay costs of issuance. The estimated par amount of the Bonds is approximately $13,045,000 with the first principal payment estimated to be March 1, 2022 and a final maturity estimated to be March 1, 2043 (22-year bond issue). Debt service on the Project is expected to be structured as level, annual payments of around $120,000.

A portion of the Bond proceeds will be used to currently refund the remaining outstanding Series 7S Bonds (2012), maturing on and after May 1, 2022, for debt service savings. The par amount to be refunded is $12,655,000 and the remaining average coupon on the Series 7S Bonds (2012) is 3.64%. The proposed refunding structure will provide level annual debt service savings of around $100,000 for the College depending on market conditions at the time of the bond sale and the final maturity will match the existing maturity of 2043. Based on schedules provided by the Underwriter on March 9, 2021, total net present value savings is estimated at $1,805,000 or 14.26% of the par amount to be refunded. In aggregate, debt service on the Bonds is estimated to be around $860,000 per year based on schedules provided by the Underwriter on March 9, 2021.

The College has determined to issue the Bonds as a negotiated sale and has selected Piper Sandler & Co. ("Piper") to act as sole managing underwriter. Piper is experienced in negotiating sales of tax-exempt bonds not only for issuers in Minnesota but also across the country and has direct experience with Macalester, acting as sole managing underwriter for the College's Series 2017 Bonds, Series Eight-J Bonds (2015), and Series Seven-S Bonds (2012), each issued by the Authority for the College's benefit.

Provided in Appendix C is a debt service 'skyline' for the College's outstanding and pro forma debt service based on schedules provided by the Underwriter on March 9, 2021.

Sources and Uses (as of March 9, 2021)

A preliminary estimate of sources and uses for the Bonds is provided below:

Preliminary Sources and Uses	
SOURCES	
Par amount	$13,045,000
Net Original Issue Premium	1,848,532
Total Sources	$14,893,532
USES	
Deposit to Escrow Fund (refund Seven-S Bonds)	$12,655,000
Deposit to Project Fund	2,040,000
Costs of issuance	198,532
Total Uses	$14,893,532

Security for the Bonds

The Bonds will be issued by the Authority and secured by loan repayments made by the College pursuant to a *Loan Agreement* between the Authority and the College, or from other amounts pledged pursuant to a *Trust Indenture*. The Bonds will be payable solely as a general obligation of the College from the general funds or any other moneys legally available to the College. Finally, it is anticipated there will not be a mortgage lien nor security interest in any property of the College, and no funded debt service reserve fund.

Financial Covenants

The College is not subject to any annual financial covenants and has no limitation on incurring additional long-term or short-term indebtedness.

Ratings

The College currently has a long-term rating of "Aa3" with a negative outlook, and a "Aa3/VMIG1" rating with a negative outlook on debt supported by the College's self-liquidity from Moody's Investors Service ("Moody's"). Each of the ratings were affirmed by Moody's on December 9, 2020 in conjunction with Moody's annual surveillance and a copy of the Credit Opinion has been provided in Appendix D. The College had a follow-up rating request call with Moody's on March 15, 2021 and while the proposed borrowing was referenced in Moody's Credit Opinion also issued on December 9, 2020, Moody's has not provided a rating on the Bonds as of the date of this Application Review Letter. However, the rating for the Bonds will be published before posting the Preliminary Official Statement and issuing the Bonds.

MACALESTER COLLEGE
Consolidated Statement of Activities (in thousands of dollars)
As of May 31, 2020 and 2019

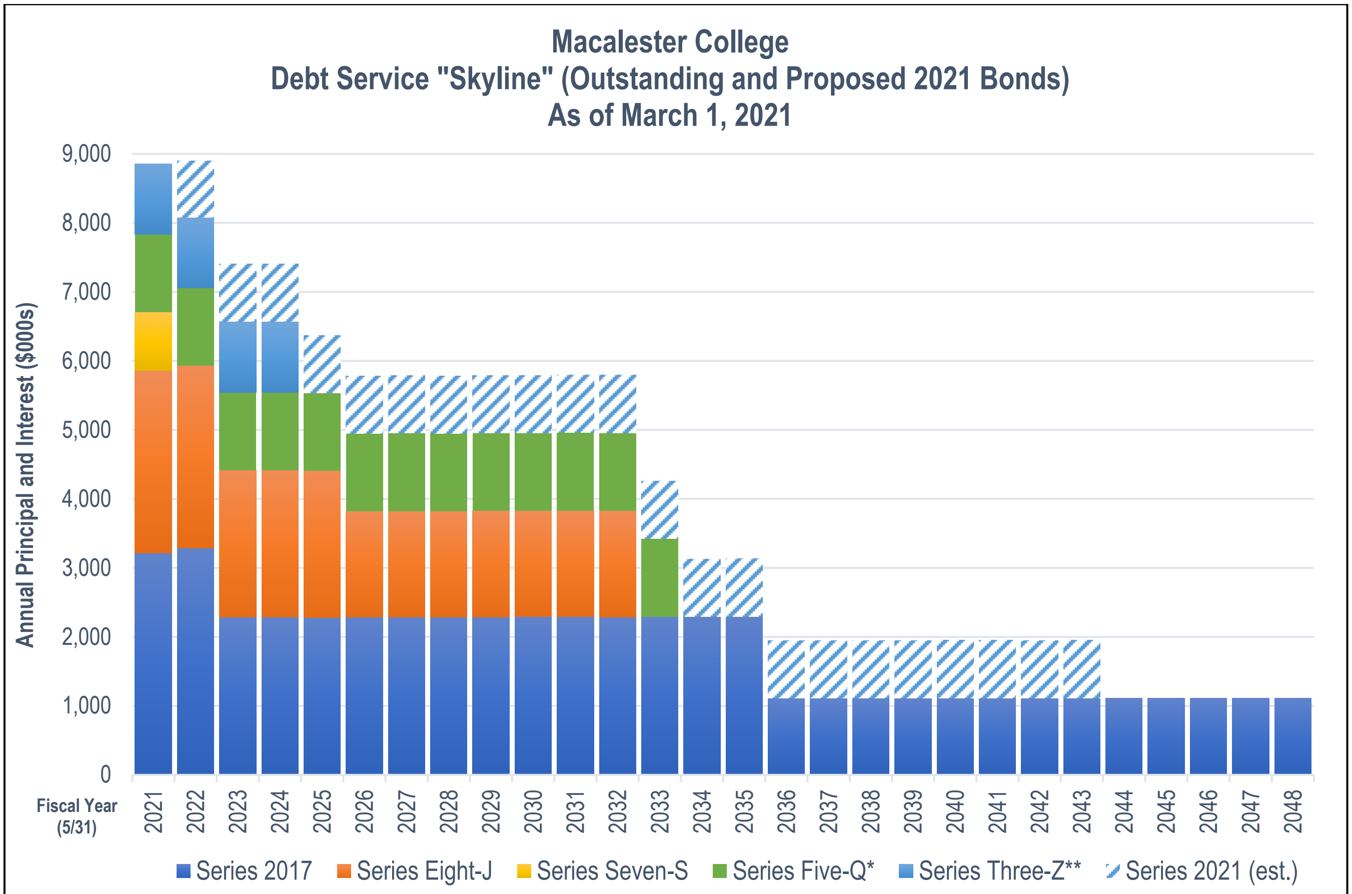
	2020 Without Donor Restrictions	2020 With Donor Restrictions	2020 Total	2019 Without Donor Restrictions	2019 With Donor Restrictions	2019 Total
REVENUES AND OTHER ADDITIONS						
Tuition and fees, net of student aid and scholarships of	$ 54,507	$ -	$ 54,507	$ 55,142	$ -	$ 55,142
Federal and state grants and contracts	1,194	-	1,194	1,647	-	1,647
Private gifts and grants	4,067	1,965	6,032	4,735	7,904	12,639
Sales and service of auxiliary enterprises	14,290	-	14,290	17,409	-	17,409
Other sources	1,153	22	1,175	1,277	59	1,336
Net investment return	1,298	23	1,321	1,088	17	1,105
Investment return appropriated by the governing board for operations	4,100	34,206	38,306	4,033	33,783	37,816
Net assets released from restrictions	38,161	(38,161)	-	37,794	(37,794)	-
Total Operating Revenues, Gains and Other Support	118,770	(1,945)	116,825	123,125	3,969	127,094
EXPENSES						
Instruction	48,425	-	48,425	46,980	-	46,980
Research	1,699	-	1,699	1,822	-	1,822
Academic support	12,533	-	12,533	12,992	-	12,992
Student services	24,485	-	24,485	24,981	-	24,981
Auxiliary enterprises	11,171	-	11,171	11,817	-	11,817
Institutional support	23,995	-	23,995	23,872	-	23,872
Total Operating Expenses	122,308	-	122,308	122,464	-	122,464
Change in Net Assets from Operating Activities	(3,538)	(1,945)	(5,483)	661	3,969	4,630
NONOPERATING ACTIVITIES						
Investment-related:						
Net investment return	123	(24,472)	(24,349)	2,593	14,254	16,847
Investment return appropriated by the governing board for operations	(4,100)	(34,206)	(38,306)	(4,033)	(33,783)	(37,816)
Change in beneficial interest in perpetual trust	-	(596)	(596)	-	(2,012)	(2,012)
Change in value of planned giving agreements	(111)	(136)	(247)	(10)	(194)	(204)
Gift-related:			-			-
Private gifts and grants restricted for long-term investment	481	8,831	9,312	23	1,532	1,555
Private gifts and grants restricted for capital projects	167	9	176	-	975	975
Other:			-			-
Change in value of interest rate swap	(1,444)	-	(1,444)	(753)	-	(753)
Net assets released from restrictions	31	(31)	-	6,973	(6,973)	-
Change in Net Assets from Nonoperating Activities	(4,853)	(50,601)	(55,454)	4,793	(26,201)	(21,408)
Change in net assets	(8,391)	(52,546)	(60,937)	5,454	(22,232)	(16,778)
Net Assets beginning of year	214,569	734,312	948,881	209,115	756,544	965,659
Net Assets end of year	$ 206,178	$ 681,766	$ 887,944	$ 214,569	$ 734,312	$ 948,881

Minnesota Higher Education Facilities Authority
Application Review Letter from North Slope Capital Advisors
for Financing on behalf of Macalester College (Series 2021)
Date: March 17, 2021
Appendix B

MACALESTER COLLEGE
Statements of Financial Position (in thousands of dollars)
As of May 31, 2020 thru 2016

	2020	2019	2018	2017	2016
ASSETS					
Cash and cash equivalents	$ 10,417	$ 10,495	$ 18,356	$ 18,215	$ 20,236
Restricted cash and cash equivalents	-	-	18,737	742	5,671
Accrued investment income, prepaid expenses and other assets	5,312	5,538	1,395	898	953
Notes and accounts receivable	9,310	8,986	8,952	8,791	8,542
Contributions receivable, net	5,242	3,124	3,990	2,429	1,536
Short term investments	41,309	44,174	34,387	34,313	25,507
Long term investments	676,253	735,366	755,794	733,420	686,440
Real estate	15,755	15,473	15,473	15,473	15,567
Land, buildings and equipment, net of accumulated depreciation	214,607	220,863	206,882	197,558	200,379
Beneficial interest in perpetual trust	29,500	30,096	32,108	31,383	29,810
Total Assets	$ 1,007,705	$ 1,074,115	$ 1,096,074	$ 1,043,222	$ 994,641
LIABILITIES					
Accounts payable and accrued expenses	$ 12,478	$ 15,511	$ 17,126	$ 14,422	$ 12,774
Deferred revenue and deposits	2,493	1,336	1,301	1,345	1,597
Interest rate swap agreement	2,402	958	205	966	1,526
Liabilities under planned giving agreements	8,279	8,417	8,857	8,707	7,696
Government grants refundable	3,090	3,893	3,893	4,550	4,424
Bonds payable	91,019	95,119	99,033	79,720	86,999
Total Liabilities	119,761	125,234	130,415	109,710	115,016
NET ASSETS					
Without donor restrictions	206,178	214,569	209,115	203,984	-
With donor restrictions	681,766	734,312	756,544	729,528	-
Unrestricted	-	-	-	-	196,200
Temporarily restricted	-	-	-	-	322,092
Permanently restricted	-	-	-	-	361,333
Total Net Assets	887,944	948,881	965,659	933,512	879,625
TOTAL LIABILITIES AND NET ASSETS	$ 1,007,705	$ 1,074,115	$ 1,096,074	$ 1,043,222	$ 994,641

Minnesota Higher Education Facilities Authority
Application Review Letter from North Slope Capital Advisors
for Financing on behalf of Macalester College (Series 2021)
Date: March 17, 2021
Appendix C



*Assumed to amortize with level annual debt service at the current swap rate of 2.07% through final maturity
**Assumed to amortize with level annual debt service at an approximate 20-year average SIFMA rate of 2.00%

Minnesota Higher Education Facilities Authority
Application Review Letter from North Slope Capital Advisors
for Financing on behalf of Macalester College (Series 2021)
Date: March 17, 2021
Appendix D

MOODY'S
INVESTORS SERVICE

CREDIT OPINION
9 December 2020

Rate this Research

Macalester College, MN

Update to credit analysis following revision of outlook to negative

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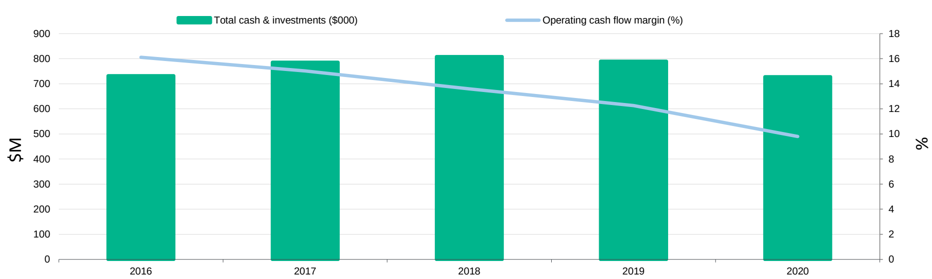
Summary

Macalester College, MN's (Aa3 neg) strong credit quality largely reflects the college's low leverage and sizable overall wealth and unrestricted reserves, providing strong coverage of operations and debt. An established market position as a selective private liberal arts college located in the Twin Cities supports continued solid student demand and a very good strategic position. Competition is high, however, reflected in a tuition discount rate above 50%. Operating performance has eroded in recent years as expense growth consistently outpaced revenue growth despite relatively good fiscal controls. Balance sheet growth is also challenged, driven by low gift support compared to similarly rated peers. Other credit considerations include a relatively small operating base that is largely supported by tuition and student charges and sound liquidity.

Exhibit 1

Despite still significant overall wealth, eroding operating performance and stagnant balance sheet growth is weakening Macalester's credit quality



Source: Moody's Investors Service

Credit strengths

» Sizable total cash and investments of $728 million provide robust coverage of operating expenses

» Manageable debt burden with spendable cash and investments providing 4.8x coverage of outstanding debt

» Nationally selective residential liberal arts college, with 85% of its 2,021 full-time equivalent enrollment from outside Minnesota

» Solid monthly liquidity with 353 days of monthly cash on hand as of fiscal year end 2020

Credit challenges

- » Highly competitive student market evident in tuition discount rate over 50% and modest net tuition per student growth
- » Eroding operating performance illustrated by annual operating cash flow margin declines
- » Historically weak fundraising limits prospects of material balance sheet growth in the near-term
- » Strategically reduced enrollment and a plan to recruit more need sensitive students will constrain tuition revenue growth, the largest revenue source of the college

Rating outlook

The negative outlook reflects the possibility of credit deterioration if the college is unable to either strengthen revenue growth or reduce expenses, resulting in stronger operating performance after fiscal 2021.

Factors that could lead to an upgrade

- » Multiple years of improved operating performance producing robust operating cash flow
- » Significantly improved philanthropy resulting in substantial increases in total cash and investments
- » Strengthened student market position evidenced by material growth in net tuition revenue
- » For the VMIG1 rating: not applicable

Factors that could lead to a downgrade

- » Worse than budgeted operating performance in fiscal 2021, or inability to evidence a move to stronger operating performance with longer-term operating cash flow margins sustained above 10%
- » Significant balance sheet erosion with resulting losses in unrestricted reserves
- » Material increase in new debt
- » For the VMIG1 rating: inability to maintain adequate resource coverage of debt or evidence of weakening debt and treasury management practices

Key indicators

Exhibit 2
MACALESTER COLLEGE, MN

	2016	2017	2018	2019	2020	Median: Aa Rated Private Universities
Total FTE Enrollment	2,121	2,107	2,151	2,082	2,021	3,187
Operating Revenue ($000)	117,951	119,327	119,880	124,977	120,860	270,704
Annual Change in Operating Revenue (%)	6.9	1.2	0.5	4.3	-3.3	4.4
Total Cash & Investments ($000)	732,183	785,948	808,537	790,035	727,979	1,748,587
Total Debt ($000)	85,100	77,905	94,540	90,835	86,945	317,154
Spendable Cash & Investments to Total Debt (x)	4.7	5.8	5.0	5.3	4.8	3.7
Spendable Cash & Investments to Operating Expenses (x)	3.6	4.0	4.1	3.9	3.4	3.0
Monthly Days Cash on Hand (x)	357	391	392	373	353	399
Operating Cash Flow Margin (%)	16.1	15.0	13.6	12.3	9.8	14.3
Total Debt to Cash Flow (x)	4.5	4.3	5.8	5.9	7.3	6.0
Annual Debt Service Coverage (x)	2.9	1.7	2.3	2.2	1.7	3.1

Source: Moody's Investors Service

Profile

Macalester College, founded in 1874, is a selective coeducational liberal arts college located in Saint Paul, Minnesota. Historically, the college has been affiliated with the Presbyterian Church (USA). Macalester has a diverse student body, enrolling over 2,000 students in fall 2020 and had an operating base of over $120 million.

Detailed credit considerations

Market position: selective liberal arts college located in the Twin Cities continues attracting students, but strategic endeavors and market competition will pressure net tuition revenue growth

A very good strategic position remains anchored by continued sound student demand, but a highly competitive student market and plans to recruit students with higher financial needs will pressure net tuition revenue growth. Macalester's ability to draw students from across the country and internationally provides some buffer to competitive and demographic pressures of the greater Midwest region. Approximately 16% of students are from Minnesota, 25% from the Midwest, and 16% from outside the US. Based on capacity constraints, the college strove to bring down overall enrollment to 2,025 students over a period of time. In fall 2020, the college reported overall full-time equivalent (FTE) students of 2,022, just below its overall longer-term enrollment goal. However, the college budgeted for a more gradual decline over multiple years and budgeted for 2,101 students. Favorably, the college did enroll 547 new students, above the 545 budgeted and reports 66 students deferrals for fall 2021.

A relatively small operating base of approximately $121 million is primarily supported by tuition and student charges, which account for 57% of the college's operating revenue. Overall tuition discounting remains elevated at over 50%, but the college has favorably improved net tuition per student by 11% since fiscal 2016, reaching $26,180 in fiscal 2020. Despite this improvement, however, net tuition per student covers just half of the educational costs per students, with endowment income and philanthropy filling the gap. Furthermore, effects of the coronavirus pandemic on enrollment pushed the college's incoming class freshman discount rate to a very high 62%, which will pressure the college's future net tuition growth.

The college currently has a “need aware” policy and fully meets demonstrated need, including loans, to admitted students. A strategic decision to recruit a potentially more need sensitive student base in the future would further constrain future net tuition and resulting overall revenue growth without improvement in gifts, which has historically been weak compared with peers of similar credit quality.

Operating performance: eroding operating performance over the short-term will continue because of coronavirus impacts; longer-term operating performance remains uncertain

Operating performance will worsen in fiscal 2021 because of coronavirus-related financial impacts, continuing a trend of weakening operating performance since fiscal year end 2016. Despite relatively good fiscal controls by management, operating expense growth has surpassed operating revenue growth annually from fiscal 2017 through fiscal 2020, with average annual revenue growth during that period of 0.6% compared with average annual expense growth of 2.3%. Primarily driving this imbalance was the college's efforts to bring down enrollment levels, which stagnated net tuition revenue growth, coupled with relatively flat endowment support because of static balance sheet growth. (as calculated by Moody's).

In fiscal 2020 (fiscal year end of May 31, 2020), Macalester's operating cash flow margin was 9.8%, lower than the prior year because of refunds for residence facilities totaling over $3 million. For fiscal 2021, the college limited the number of students on campus with single occupancy living on campus and hybrid learning modules. Currently, the college plans for the same density and classroom constraints in the spring. The college is budgeting for an operating loss of over $5 million, absorbable given the college's large unrestricted reserves. Material improvement in operating performance beyond fiscal 2021 remains highly uncertain given the college's strategic plans which could further constrain net tuition growth and historically modest philanthropic support for its wealth.

Wealth and liquidity: sizable overall wealth and liquidity, though future growth remains challenged without improved philanthropic support

Total cash and investments remain sizable, but have been stagnant over five years and prospects for near-term growth remain challenged because of historically weaker philanthropy and thinner operating cash flow. Total cash and investments were $728 million at the end of fiscal 2020, declining nearly 8% because of investment losses of nearly 6% coupled with the college's annual endowment draw. Favorably, spendable cash and investments cover operating expenses a still strong 3.4x, providing operating flexibility in a time of high uncertainty.

Philanthropy remains a credit challenge at Macalester. Three-year average current gift revenue (fiscal 2018 through fiscal 2020) was $11.3 million, well below peers of similar credit quality. A new president endeavors to significantly improve the college's philanthropic base over time, pursuing a strategy of focusing fundraising efforts on scholarships for students with higher financial need.

Liquidity

Macalester maintains very good unrestricted liquidity, but some erosion will occur in fiscal 2021 because of a projected operating deficit. For fiscal 2020, unrestricted monthly liquidity is $108 million providing 353 of monthly days cash. With an estimated operating deficit of about $5 million, management anticipates some deterioration of liquidity during the fiscal year.

At September 30, 2020, Macalester reported $123 million of discounted daily liquidity, largely US Treasury securities. The liquidity buffers the $22 million of VRDBs by a very strong 5.6x. With a dedicated chief investment officer and strong treasury management relative to its operating size, Macalester has demonstrated a well-established active liquidity management for its variable rate debt and bullet maturities.

To buffer against unforeseen operating pressures, the college entered into a $20 million line of credit to boost liquidity if needed. The college has not used the line and does not currently have plans to do so.

Leverage: strong debt coverage from unrestricted reserves, but debt to cash flow remains high

Spendable cash and investments coverage of debt remains strong, supporting the college's low leverage, though debt to cash flow remains elevated compared with peers. In fiscal 2020, spendable cash and investments covered debt a strong 4.8x, better than peers of similar credit quality. Total debt to cash flow remains elevated, however, because of thinner operating performance. Fiscal 2020 debt to cash flow was 7.3x with higher debt to cash flow projected in fiscal 2021 because of expected deficit operations.

Macalester does not currently have plans for additional new debt at this time, but is contemplating a debt refunding in the spring.

Legal security

All of Macalester's bonds are unsecured general obligations of the college. There is no debt service reserve fund for any series.

Debt structure

The college's debt structure is relatively conservative, with fixed rate debt comprising about 75% of total debt. (When including the swap related synthetic fixed rate, this grows to over 90%) The Series Three-Z and Series Five-Q bonds are VRDBs in weekly mode and supported by Macalester's self-liquidity. Each series has a bullet maturity in 2024 and 2033, respectively.

Debt-related derivatives

The college is party to one fixed payer interest rate swap with a $15.3 million notional to hedge the 2003 Series Five-Q. At May 31, 2020, the liability was approximately $2.4 million.

Pensions and OPEB

Macalester has modest employee benefit obligations related to its defined contribution retirement plan. Plan contributions represented about 4% of operating expenses in fiscal 2020. The college does not have a post-retirement health plan.

ESG considerations

Environmental

Environmental considerations are not material to Macalester's credit quality at this time.

Social

Macalester's location in Minnesota exposes it to the demographic pressures of the greater Midwest region. A mitigant for this is Macalester's national reputation which supports recruitment efforts outside of the region. Additionally, Macalester has recruited well outside of the US and despite sectorwide international enrollment challenges, maintained a solid international enrollment level in the fall.

We regard the coronavirus outbreak as a social risk under our ESG framework given the substantial implications for public health and safety. In fiscal 2020, Macalester experienced a decline in auxiliary revenue of approximately $3 million dollars, which eroded operating performance and resulted in a small operating deficit, as calculated by Moody's. Fiscal 2021 operating performance will further deteriorate because of the pandemic, with a $5 million operating deficit budgeted primarily because of auxiliary revenue declines from lower capacity in residence facilities and heightened pandemic-related expenses.

Governance

Governance is a credit consideration at Macalester as the college will grapple with short-term impacts of the pandemic and longer-term difficulties surrounding net tuition revenue growth and operating performance.

At the beginning of the year, a new president took office at the college. Because of the pandemic, the president and other senior leadership focused primarily on short-term challenges facing the college, but still developed long-term strategic plan initiatives. Those plans include improved philanthropy and a goal to bring in a more diverse student base, including more need sensitive students. Management's ability to improve philanthropy and balance sheet reserves, which will be difficult to implement because of significant competition for philanthropic dollars, while simultaneously improving operating performance and transforming its student base will be critical to the college's future credit quality.

Rating methodology and scorecard factors

The Higher Education Methodology includes a scorecard that summarizes the factors that are generally most important to higher education credit profiles. Because the scorecard is a summary and may not include every consideration in the credit analysis for a specific issuer, a scorecard-indicated outcome may or may not match an assigned rating. We assess strategic positioning on a qualitative basis, as described in the methodology

Exhibit 3

Macalester College, MN

Scorecard Factors and Sub-factors		Value	Score
Factor 1:	**Market Profile (30%)**		
	Scope of Operations (Operating Revenue) ($000)	120,860	A2
	Reputation and Pricing Power (Annual Change in Operating Revenue) (%)	(3.3)	B2
	Strategic Positioning	A	A
Factor 2:	**Operating Performance (25%)**		
	Operating Results (Operating Cash Flow Margin) (%)	9.8	A3
	Revenue Diversity (Maximum Single Contribution) (%)	56.9	A1
Factor 3:	**Wealth & Liquidity (25%)**		
	Total Wealth (Total Cash & Investments) ($000)	727,979	Aa3
	Operating Reserve (Spendable Cash & Investments to Operating Expenses) (x)	3.4	Aa2
	Liquidity (Monthly Days Cash on Hand)	353	A1
Factor 4:	**Leverage (20%)**		
	Financial Leverage (Spendable Cash & Investments to Total Debt) (x)	4.8	Aa1
	Debt Affordability (Total Debt to Cash Flow) (x)	7.3	A2
	Scorecard-Indicated Outcome		A2
	Assigned Rating		Aa3

Data is based on most recent fiscal year available. Debt may include pro forma data for new debt issued or proposed to be issued after the close of the fiscal year.

For non-US issuers, nominal figures are in US dollars consistent with the Higher Education Methodology.

Source: Moody's Investors Service

REPORT NUMBER 1254882

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

Moody's INVESTORS SERVICE

MEMORANDUM

TO:	Barry W. Fick Executive Director, Minnesota Higher Education Facilities Authority
DATE:	March 10, 2021
FROM:	Julie Eddington Kennedy & Graven, Chartered
RE:	Application of Macalester College for MHEFA Financing

We have reviewed the Application of Macalester College (the "College"), dated January 15, 2021 (the "Application"), and have found it to be complete and satisfactory from a legal standpoint, subject to the following:

1. Purpose. The Application relates to financing for a project (the "Project") consisting of (a) the refunding of the outstanding Revenue Bonds, Series Seven-S (Macalester College) (the "Series Seven-S Bonds"), dated December 12, 2012, which were issued by the Minnesota Higher Education Facilities Authority (the "Authority") in the original aggregate principal amount of $14,730,000; and (b) the replacement of the roofs on the Olin Building, the College's Campus Center building, the DeWitt Wallace Library, and the College's Humanities building (sometimes referred to in this Memorandum as the "New Money Project").

The Series Seven-S Bonds were issued to finance the second phase of renovation and expansion of the Janet Wallace Fine Arts Center complex, including renovation, construction, equipping, and furnishing of the approximately 35,000 square foot studio arts portion of the complex, and to finance the replacement of a portion of the boiler capacity in the College's heating plant, together with all related improvements, upgrades, and site work.

The land, buildings, equipment, facilities and improvements described above and proposed to be financed or refinanced by the Project are sometimes collectively referred to in this Memorandum as the "Project Facilities." All the Project Facilities are or will be owned and operated by the College and located on the College's campus, the principal street address of which is 1600 Grand Avenue, Saint Paul, Minnesota.

2. Incomplete Items. The following items required by the Application are missing or incomplete:

Governmental Approval Summary. The College has indicated in the Application that building permits for the Project are pending.

Survey or Plat Map. A copy of a survey of the site of the Project, including the related legal description, or a plat map or other depiction of the Project site that clearly shows the location of existing and proposed buildings and the relationship to a legal description was not submitted with the Application, but the College has noted that it would make arrangements for a survey or plat map before the bonds will be offered for sale.

Evidence of Title to Property. A commitment to issue a title insurance policy in an owner's or mortgagee's form or a preliminary opinion of title based upon an examination of real estate records covering the Project site and certified to within approximately 30 days of the date of the opinion was not submitted with the Application, but the College has noted that it would make arrangements for evidence of ownership before the bonds will be offered for sale. The College will also provide an updated survey, plat map or other property depiction of the Project Facilities that clearly shows the location of existing and proposed buildings and improvements and a legal description, which will need to be examined when received to confirm that the College has good title (or other suitable interest) to the Project Facilities. We will work with the College and its counsel to determine appropriate evidence of title.

3. Prior Commitments. The notes to the College's most recent financial statements indicate that, other than the Series Seven-S Bonds to be refunded, the College has four series of the Authority's revenue bonds outstanding, including two variable rate demand obligations. The Authority should be aware of these prior commitments in the context of the College's pledge of its full faith and credit.

4. $150 Million Limit on Tax Exempt Non-Hospital Bonds Under Section 145(b) of Internal Revenue Code. Section 145(b) Internal Revenue Code excludes from the $150 million limit tax exempt nonhospital bonds issued after August 5, 1997 as part of an issue 95% or more of the net proceeds of which (including issuance costs) are to be used to finance capital expenditures incurred after that date. The proposed bonds will finance the New Money Project and refund bonds which were issued after August 5, 1997, and which refinanced capital expenditures originally incurred after that date. The proposed bonds therefore will be excluded from the $150 million limitation.

5. Establishment of Religion. Historically the College has been affiliated with the Presbyterian Church (USA) but operates as a nonsectarian institution. In the Application, the College has stated that the College does not receive support from a church body. The College states in the Application that no church body controls the election of trustees and the consent of a religious body is not required in order for the College to mortgage its property or borrow money. There are no religious qualifications for faculty and students are not required to attend religious services. Based on these facts, and under existing judicial interpretation of the Establishment of Religion clause, we conclude that Authority financing and refinancing of the Project Facilities proposed by the College will not violate Establishment of Religion clause limitations. Financing such as that provided by the Authority falls well within the permitted limits.

6. Rebate: 24-Month, 18-Month, and 6-Month Spend-Down Exceptions. The Application indicates that the work on the New Money Project is estimated to commence toward the end of May 2021 and be substantially completed by the end of August 2023. The College has provided information indicating that the proceeds of the bonds proposed to be issued and allocated to the New Money Project are expected to be fully expended by August 31, 2023. The requirement to pay arbitrage rebate for the bonds has three exceptions which are related to the speed in which the proceeds of the bonds are spent: the 24-month exception, the 18-month exception, and the 6-month exception.

Looking at the proposed schedule provided by the College, the 24-month exception may apply to the New Money Project. Under the 24-month exception, the proceeds of the bonds must be applied to construction expenditures within 24 months as determined at the time of closing. The 24-month spend-down exception allows the College to retain up to 5% of the proceeds of the bonds allocated to a construction project after the 24 month period. Bond counsel and the municipal advisor will work with the College regarding the timing of the proposed bond issue and the construction schedule to determine whether the 24-month exception will be possible.

The following is a summary of each exception:

a. Section 148(f)(4)(C) of the Internal Revenue Code provides a 24-month exception (the "24-month exception") from the requirement to pay arbitrage rebate for governmental and 501(c)(3) bonds which meet the definition of a "construction issue" – that is, a bond issue for which at least 75% of net proceeds will be expended for "construction expenditures." "Construction expenditures" are costs of construction chargeable to the capital account (other than expenditures for land or existing real property). Construction expenditures include costs of fixtures such as heating, ventilating and air conditioning, costs of equipment depreciated over a period of a year, and certain computer software.

To comply with this exception, all available construction proceeds of the issue must be spent within two years from the date of closing on the bond issue: 10% within 6 months, 45% within one year, 75% within 18 months, and 95% to 100% within 2 years with an extension to three years for up to 5% retained from contractors. For the purposes of the proposed bond issue, "available construction proceeds" which must be spent on schedule generally includes investment earnings, but excludes amounts used to fund a reserve fund and issuance costs. Investment earnings on the reserve fund during the construction period must be spent on schedule for project costs, including interest but not principal on the bonds or, if the College so elects, must be rebated. Rebate would still be payable on reserve fund investment income, if any (to the extent the yield of the investments exceeds the bond yield) after the construction period, but the 24-month exception offers potentially significant savings.

b. Section 1.148-7(d) of the Treasury Regulations provides for a second exception for proceeds, including reasonably expected investment earnings as determined at closing, which are spent within 18 months (6 months, 15%; 12 months, 60%; and 18 months, 100%), except for a *de minimis* amount or a reasonable retainage which must be spent within 30 months of the bond closing date. This exception is not limited to proceeds expended for construction purposes.

c. Section 1.148-7(c) of the Treasury Regulations provides for a third exception for proceeds (whether for refunding, equipment or construction) which are spent within 6 months.

7. Reimbursement Regulations. The Internal Revenue Service has adopted rules for determining when an issuer may use bond proceeds to reimburse expenditures made before the bonds are issued. The governing board of the College adopted a resolution on December 17, 2020, declaring the College's official intent to reimburse, and therefore, the College can be reimbursed for New Money Project expenditures paid (as opposed to incurred but not paid) up to 60 days prior to the adoption of the reimbursement resolution. In addition, the College may be reimbursed for certain preliminary expenditures and in amounts considered to be *de minimis*. We will work with the College to identify reimbursable costs and to protect the College's ability to finance expenditures made before the bonds are issued.

The College must use proceeds from a bond issue to reimburse itself for prior expenditures within 18 months from the later of (i) the date that the original expenditure is paid or (ii) the date that an element of the New Money Project is placed in service (but in no event more than three years after the original expenditure is paid). "Placed in service" means the date on which the project or facility has reached a degree of completion which would permit its operation at substantially its design level and it is in operation at such level. The College should expect to be reimbursed from bond proceeds shortly after the closing.

8. Project Contracts. The College has not yet finalized the construction contract for the New Money Project. The College has indicated that an architect's certification as to the estimated costs is not necessary because there is no construction or significant renovation proposed. At the time of bond closing, the College must be able to demonstrate that it is or will be in a position to commence construction of the remainder of the New Money Project and to confirm the cost estimates therefor which were provided in the Application. The College should provide copies of any contracts to the Authority and bond counsel.

9. Building Permits; Governmental Approvals. The College has indicated in the Application that building permits are pending. No other governmental approvals are necessary.

10. Use of Project Facilities by Business Enterprises. If the College has or will have use by a private party of the financed facilities in a trade or business, including a contract with a for-profit private enterprise to provide services in connection with any of the financed facilities, we will need to review the contract to ensure compliance with guidelines relating to private use established in the Internal Revenue Code and related regulations in Revenue Procedure 97-13, 1997-1 C.B. 632, issued January 10, 1997, as amended by Revenue Procedure 2001-39, 2001-2 C.B. 38, issued June 20, 2001, as amplified by Notice 2014-67, 2014-46 I.R.B. 822, issued November 10, 2014, as amplified by Revenue Procedure 2016-44, 2016-36 I.R.B. 316, issued October 31, 2016, and as further modified and amplified by Revenue Procedure 2017-13, 2017-6 I.R.B., issued March 21, 2017 (collectively, the "Private Use Rules"). "Private use" could arise from agreements with a food service contractor, from use with respect to parking or skyway connections, or the leasing of theater space to private parties. The College has not described any such activity to be carried on in the New Money Project, but further inquiry would be prudent to determine whether there is any "private use." Discovery of "private use" may necessitate that the College use its own funds to finance the private use facility (and allocated common areas) and to follow the guidelines in the Private Use Rules to preserve tax-exempt financing for the rest of the financed facilities.

Section 145(a) of the Internal Revenue Code provides that no more than 5% of the net proceeds of an issue may be used by any person other than a 501(c)(3) organization or governmental unit, or in a trade or business unrelated to the exempt purposes of the College. Even if a food service or other management contract, or use of parking, or other use of the Project Facilities, does not generate unrelated business income for the College, such agreements may constitute "use" of facilities of the College by a private (and nonexempt) entity which could render the bonds used to finance the facilities taxable. The Private Use Rules are lengthy and complex and will require careful review and application. The Private Use Rules require that the costs of issuance (a maximum of 2% payable from bond proceeds) be counted against the 5% limit of private use, leaving only 3% available for other private use.

Subject to certain restrictions, the Private Use Rules would permit parts of the Project Facilities which are "used" by a private entity to be financed by tax-exempt bonds. We will need to examine the intended "use" of the Project Facilities to determine the applicable restrictions. The College will be contributing a significant amount of equity to the New Money Project, so if there is private use within the New Money Project, the College will be able to allocate equity to any private use.

Any change in use or ownership of the Project Facilities or any portion thereof should be undertaken only with advice of bond counsel and, in some cases, advance arrangement of a "remedial action" under Section 1.141-12 of the Treasury Regulations.

11. Litigation. The College has indicated that there is no pending litigation that would have a material adverse financial impact on the College. If litigation or claims, threatened or pending, should

arise prior to closing, the College should promptly notify the Authority, the municipal advisor and bond counsel and provide a description of such claims or litigation.

12. Sinking Fund Proceeds; Replacement Proceeds. The Application states that the funds to pay debt service on the proposed bonds will be derived from the College's operating funds. No pledge of collateral is proposed (though a negative pledge with respect to the New Money Project may be required). While this financial structure is similar to other recent Authority financings, it will nonetheless be necessary to analyze "replacement proceeds" concerns and whether any amounts are subject to yield limitations under Section 148 of the Internal Revenue Code.

The notes to the College's financial statements indicate that, as of the fiscal year ending May 31, 2020, the College had substantial unrestricted, temporarily restricted and permanently restricted assets available for various purposes. The arbitrage regulations adopted by the Internal Revenue Service impose limits on the yield on investments of "gross proceeds" of tax-exempt bonds. "Gross proceeds" include not only the actual proceeds received from the issuance and sale of bonds but also other monies characterized as "replacement proceeds." Amounts are "replacement proceeds" under the regulations if it is concluded that such amounts would have been used for the governmental purpose for which the bonds were issued (here, financing of the New Money Project and refinancing of the other Project Facilities) had proceeds of the bonds not been used for that governmental purpose. Amounts also may be replacement proceeds if they are held or expected to be used to pay debt service on bonds, or are subject to a negative pledge or maintenance covenant. The mere availability or preliminary earmarking of funds for such purposes does not, in itself, necessarily lead to the conclusion that such funds would have been used for the governmental purpose of the bonds and thus are replacement proceeds. We will confer with the College and its counsel to confirm compliance with the replacement proceeds rules.

13. Yield Restrictions. The Series Seven-S Bonds, if refunded by the proposed issue, can be called for optional redemption on or after May 1, 2021. The funds necessary to redeem and prepay the Series Seven-S Bonds will be deposited in an account established under the Trust Indenture for the proposed issue and will be escrowed. If the College is unable to meet the 24 month spend-down exception described above, a portion of the proceeds of the bonds allocated to the construction project may need to be yield restricted.

14. Multipurpose Issue. All of the proposed bonds will be issued at the same time, will be payable from the same source of funds and generally under the Treasury Regulations would be deemed all one issue of bonds. But the proposed bonds will provide funding for two separate purposes, namely, financing the New Money Project and refunding the Series Seven-S Bonds. Under Section 1.150-1(c)(3) of the Treasury Regulations, tax-exempt bonds may be treated as part of separate issues if they finance separate purposes (for example, capital costs of acquisition and construction and an advance refunding of a separate prior issue, as here) and if the aggregate proceeds, investments, and bonds in such a transaction are allocated between each of the separate issues using a reasonable, consistently applied allocation method. In addition, more specific allocation rules are imposed for refundings. To facilitate the proper allocation of bond proceeds, investments and other funds, and expenditures as between the purposes to be financed by the proposed bonds, the Authority should make the allocation into separate issues as permitted by the Treasury Regulations. The allocation must be made in writing on or before the date of the bond closing.

North Slope Capital Advisors
1165 Delaware Street, Suite 140
Denver, CO 80204
303-953-4101

March 10, 2021

Minnesota Higher Education Facilities Authority
c/o Mr. Michael D. Ranum, Board Chair
and Mr. Barry W. Fick, Executive Director
380 Jackson Street, Suite 450
Saint Paul, MN 55101

Dear Mr. Ranum, Mr. Fick, & Authority Board Members:

As the independent registered municipal advisor for the Authority, we are pleased to provide this *Preliminary Financing Plan Summary* for Macalester College's (the "College") proposed Series 2021 Revenue and Refunding Bonds issuance (the "Bonds"). Below are the highlights of the preliminary financing plan followed by a detailed summary:

Preliminary Financing Plan Highlights*	
Par Amount (Estimated as of 3-9-2021)	$13,045,000
Financing Type	New Money and Refunding
New Money Project Description (the "Project")	Roof Replacements
Refunding Description	Current refunding of Series Seven-7 (2012) Bonds
First Principal Payment Date	March 1, 2022
Final Maturity Date	March 1, 2043
Expected Underlying Rating	Aa3
Underwriter	Piper Sandler
Expected Pricing Date	April 13, 2021
Expected Closing/Delivery Date	April 30, 2021

Based on our review of the preliminary financing plan, North Slope Capital Advisors is supportive of the proposed structure and is looking forward to a successful pricing and closing of the Bonds in the coming weeks.

Respectfully submitted,

NORTH SLOPE CAPITAL ADVISORS by
Steph M. Chichester, President

NORTH SLOPE CAPITAL ADVISORS by
Nick E. Taylor, Managing Director

*Preliminary, subject to change based on final pricing.

PRELIMINARY FINANCING PLAN SUMMARY

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

$13,045,000*
REVENUE AND REFUNDING BONDS, SERIES 2021
(Macalester College)

March 10, 2021

This Preliminary Financing Plan Summary (the "Summary") represents North Slope Capital Advisors' ("North Slope") review of the financing structure and is based on the most recent discussions with Macalester College (the "College"), the Minnesota Higher Education Facilities Authority (the "Authority"), and Piper Sandler & Co. ("Piper"), the sole managing underwriter on the Bonds issuance. As of the date of this Summary, the College has decided to issue long-term fixed rate bonds to fund the Project and refinance all the remaining outstanding Series 7S Bonds (2012) for savings. The structure of the Bonds is expected to amortize over 22 years with a final maturity of March 1, 2043 and provide for level annual debt service. The structure provided below is preliminary and subject to revision prior to the pricing of the Bonds which is expected to occur on or around April 13, 2021.

Issuer:	Minnesota Higher Education Facilities Authority (the "Authority")
Borrower:	Macalester College (the "College")
Purpose of the Bonds:	The College will use the proceeds of the Bonds to: (1) finance various improvements to the College's buildings, including replacing the roofs on the Olin building, the Campus Center Building, the Library and the Humanities Building, (2) refinance all the remaining outstanding Series 7S Bonds (2012) for savings, and (3) fund the costs of issuing the Bonds.
Issue Size:	The estimated par amount of the Bonds of $13.045 million, including estimated new issue premium of $1.85 million, will be used to fund the Project, fund an escrow account to refund the outstanding Seven-S Bonds, and pay the costs of issuance. The estimated par of Bonds is less than the Authority's not-to-exceed size of $15.5 million as of the writing of this Summary.
Costs of Issuance:	Costs of issuance of up to 2% of the par value of the Bonds may be funded with tax-exempt proceeds. At this time, actual costs of issuance are not expected to exceed 2% of the par amount of the Bonds.
Type of Sale and Purchaser:	The Bonds will be sold via a negotiated, public underwriting and the College has selected Piper Sandler & Co. as the sole managing underwriter. The Bonds will be issued as federal and State of Minnesota tax-exempt fixed rate bonds.
Expected Pricing Date:	April 13, 2021

* *Preliminary; subject to change.*

Expected Closing Date:	April 30, 2021
TIC (True Interest Cost):	The College has opted for a fixed rate mode for the Bonds. The estimated TIC, assuming rates and market conditions as of March 9, 2021, is 2.26%.
Bonds Denominations:	Denominations for Bonds will be $5,000 and integral multiples thereof.
Interest Payments:	Semi-annually, beginning September 1, 2021.
Principal Payments:	Annually beginning on March 1, 2022 with a final maturity of March 1, 2043.
Bonds Structure:	The Bonds will be structured with level, annual debt service payments. The refunding will be structured to achieve level, annual savings and will match the existing maturity of the Seven-S Bonds.
Redemption:	Optional: The College will have the option to redeem the Bonds maturing on or after March 1, 2032 at par and without penalty beginning on or after March 1, 2031. Extraordinary Upon Determination of Taxability: Optional redemption may occur upon a Determination of Taxability of the either of the Notes, in whole, at a price of par plus accrued interest. Extraordinary Upon Damage, Destruction, or Condemnation: Optional redemption may occur should the financed project facilities suffer damage, destruction, or condemnation, in whole, at a price of par plus accrued interest.
Rating:	The Bonds are expected to be rated by Moody's Investors Service ("Moody's"). Moody's assigned a credit rating of Aa3 with a negative outlook to the College's outstanding debt, and a "Aa3/VMIG1" rating with a negative outlook on debt supported by the College's self-liquidity in December 2020. Moody's conducted a rating update call with the College and other financing team members on March 15, 2021 and is planning on publishing the rating in connection with the Bonds on or before April 6, 2021.
Bank Qualification:	The Bonds will not be designated as a "qualified tax-exempt obligation."
Security:	The College's full faith and credit are pledged to the repayment of the Bonds, with a covenant to set tuition, fees, rentals and charges to be sufficient to make the required Loan Repayments (e.g. debt service payments) and pay operating expenses and other obligations of the College as they become due.
Debt Service Reserve Account:	A debt service reserve fund will not be funded with proceeds from the Bonds.
Financial Covenants:	The College will not be subject to any annual financial covenants and has no limitation on incurring additional long-term or short-term indebtedness.

* *Preliminary; subject to change.*

Continuing Disclosure:	The College will execute a "Continuing Disclosure Certificate" for the benefit of beneficial owners of the Bonds and will continue to comply with its existing Continuing Disclosure undertakings with regard to its other outstanding bonds.
Credit Enhancement:	None
Trustee/Registrar and Paying Agent:	Wells Fargo Bank, N.A., Minneapolis, Minnesota.
Permitted Investments:	Investments as permitted by Minnesota statutes.
Potential Impacts Resulting from Coronavirus (COVID-19):	On March 11, 2020, the World Health Organization proclaimed the Coronavirus (COVID-19) to be a pandemic. In an effort to lessen the risk of transmission of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19, affecting business activities and impacting global, state and local commerce and financial markets. At this time, the College cannot predict the overall health, operational or economic impact of COVID-19 on the College, including but not limited to the impact, if any, on student enrollment or future operations. The College has implemented a comprehensive COVID-19 protocol for students, faculty and staff designed to comply with national and State guidelines. The College has established a section on its website to provide updated COVID-19 protocol information. The College continues to monitor for COVID-19 related health issues on campus and is ready to modify current plans to help contain any future cases.
Schedules:	Exhibit A: Estimated debt service on the Bonds. Exhibit B: The College's existing debt service and estimated net debt service for the Bonds.

* *Preliminary; subject to change.*

Minnesota Higher Education Facilities Authority
Revenue Refunding Bonds, Series 2021, (Macalester College)
Preliminary Financing Plan
Dated: March 10, 2021
Exhibit A

BOND DEBT SERVICE

Minnesota Higher Education Facilities Authority
Revenue Refunding Bonds, Series 2021
(Macalester College)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
09/01/2021			162,123.19	162,123.19	
03/01/2022	460,000	4.000%	241,175.00	701,175.00	
05/31/2022					863,298.19
09/01/2022			231,975.00	231,975.00	
03/01/2023	395,000	4.000%	231,975.00	626,975.00	
05/31/2023					858,950.00
09/01/2023			224,075.00	224,075.00	
03/01/2024	410,000	4.000%	224,075.00	634,075.00	
05/31/2024					858,150.00
09/01/2024			215,875.00	215,875.00	
03/01/2025	430,000	4.000%	215,875.00	645,875.00	
05/31/2025					861,750.00
09/01/2025			207,275.00	207,275.00	
03/01/2026	445,000	4.000%	207,275.00	652,275.00	
05/31/2026					859,550.00
09/01/2026			198,375.00	198,375.00	
03/01/2027	465,000	4.000%	198,375.00	663,375.00	
05/31/2027					861,750.00
09/01/2027			189,075.00	189,075.00	
03/01/2028	480,000	4.000%	189,075.00	669,075.00	
05/31/2028					858,150.00
09/01/2028			179,475.00	179,475.00	
03/01/2029	500,000	4.000%	179,475.00	679,475.00	
05/31/2029					858,950.00
09/01/2029			169,475.00	169,475.00	
03/01/2030	520,000	4.000%	169,475.00	689,475.00	
05/31/2030					858,950.00
09/01/2030			159,075.00	159,075.00	
03/01/2031	540,000	4.000%	159,075.00	699,075.00	
05/31/2031					858,150.00
09/01/2031			148,275.00	148,275.00	
03/01/2032	565,000	4.000%	148,275.00	713,275.00	
05/31/2032					861,550.00
09/01/2032			136,975.00	136,975.00	
03/01/2033	585,000	4.000%	136,975.00	721,975.00	
05/31/2033					858,950.00
09/01/2033			125,275.00	125,275.00	
03/01/2034	610,000	4.000%	125,275.00	735,275.00	
05/31/2034					860,550.00
09/01/2034			113,075.00	113,075.00	
03/01/2035	635,000	4.000%	113,075.00	748,075.00	
05/31/2035					861,150.00
09/01/2035			100,375.00	100,375.00	
03/01/2036	660,000	4.000%	100,375.00	760,375.00	
05/31/2036					860,750.00
09/01/2036			87,175.00	87,175.00	
03/01/2037	685,000	4.000%	87,175.00	772,175.00	
05/31/2037					859,350.00
09/01/2037			73,475.00	73,475.00	
03/01/2038	715,000	4.000%	73,475.00	788,475.00	
05/31/2038					861,950.00
09/01/2038			59,175.00	59,175.00	
03/01/2039	745,000	3.000%	59,175.00	804,175.00	
05/31/2039					863,350.00
09/01/2039			48,000.00	48,000.00	
03/01/2040	765,000	3.000%	48,000.00	813,000.00	
05/31/2040					861,000.00
09/01/2040			36,525.00	36,525.00	
03/01/2041	785,000	3.000%	36,525.00	821,525.00	
05/31/2041					858,050.00
09/01/2041			24,750.00	24,750.00	
03/01/2042	815,000	3.000%	24,750.00	839,750.00	
05/31/2042					864,500.00
09/01/2042			12,525.00	12,525.00	
03/01/2043	835,000	3.000%	12,525.00	847,525.00	
05/31/2043					860,050.00
	13,045,000		5,883,848.19	18,928,848.19	18,928,848.19

Minnesota Higher Education Facilities Authority
Revenue Bonds, Series 2021, (Macalester College)
Preliminary Financing Plan
Dated: March 10, 2021
Exhibit B

AGGREGATE DEBT SERVICE

Minnesota Higher Education Facilities Authority (Macalester College)

Period Ending	Series 2021	Series 2017	Series Eight-J	Series Five-Q	Series Three-Z	Aggregate Debt Service
05/31/2022	863,298.19	3,284,325	2,644,768.76	1,127,371	1,024,510	8,944,272.95
05/31/2023	858,950.00	2,283,125	2,131,518.76	1,128,948	1,025,009	7,427,550.76
05/31/2024	858,150.00	2,284,125	2,130,018.76	1,130,111	1,025,164	7,427,568.76
05/31/2025	861,750.00	2,276,875	2,130,268.76	1,125,886		6,394,779.76
05/31/2026	859,550.00	2,284,075	1,536,518.76	1,126,325		5,806,468.76
05/31/2027	861,750.00	2,286,575	1,538,268.76	1,126,349		5,812,942.76
05/31/2028	858,150.00	2,285,825	1,537,018.76	1,125,960		5,806,953.76
05/31/2029	858,950.00	2,286,825	1,537,768.76	1,130,130		5,813,673.76
05/31/2030	858,950.00	2,294,325	1,533,893.76	1,128,809		5,815,977.76
05/31/2031	858,150.00	2,292,825	1,538,718.76	1,127,074		5,816,767.76
05/31/2032	861,550.00	2,289,675	1,535,118.76	1,129,899		5,816,242.76
05/31/2033	858,950.00	2,295,175		1,127,233		4,281,358.00
05/31/2034	860,550.00	2,294,025				3,154,575.00
05/31/2035	861,150.00	2,296,375				3,157,525.00
05/31/2036	860,750.00	1,112,075				1,972,825.00
05/31/2037	859,350.00	1,111,675				1,971,025.00
05/31/2038	861,950.00	1,109,800				1,971,750.00
05/31/2039	863,350.00	1,111,000				1,974,350.00
05/31/2040	861,000.00	1,111,000				1,972,000.00
05/31/2041	858,050.00	1,114,800				1,972,850.00
05/31/2042	864,500.00	1,112,200				1,976,700.00
05/31/2043	860,050.00	1,113,400				1,973,450.00
05/31/2044		1,113,200				1,113,200.00
05/31/2045		1,111,600				1,111,600.00
05/31/2046		1,113,600				1,113,600.00
05/31/2047		1,114,000				1,114,000.00
05/31/2048		1,112,800				1,112,800.00
	18,928,848.19	47,495,300	19,793,881.36	13,534,095	3,074,683	102,826,807.55

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RESOLUTION RELATING TO APPLICATION AND FINANCING TERMS FOR MACALESTER COLLEGE

BE IT RESOLVED by the Minnesota Higher Education Facilities Authority (the "Authority") as follows:

1. The Authority acknowledges receipt of the Application of Macalester College, a Minnesota nonprofit corporation (the "College"), as owner and operator of Macalester College (the "Institution"), and the exhibits thereto, including an Indemnity Agreement and an application fee in the amount of $1,000, for a proposal relating to a project (the "Project") consisting of (a) the refunding of the Authority's outstanding Revenue Bonds, Series Seven-S (Macalester College) (the "Series Seven-S Bonds"), dated December 12, 2012, which were issued in the original aggregate principal amount of $14,730,000; and (b) the replacement of the roofs on the Olin Building, the College's Campus Center building, the DeWitt Wallace Library, and the College's Humanities building.

The Series Seven-S Bonds were issued to finance the second phase of renovation and expansion of the Janet Wallace Fine Arts Center complex, including renovation, construction, equipping, and furnishing of the approximately 35,000 square foot studio arts portion of the complex, and to finance the replacement of a portion of the boiler capacity in the College's heating plant, together with all related improvements, upgrades, and site work.

2. The facilities and improvements to be financed or refinanced by the Project are hereinafter referred to as the "Project Facilities." The Project Facilities are or will be owned and operated by the College and located on the College's campus, the principal street address of which is 1600 Grand Avenue, Saint Paul, Minnesota 55105.

3. The Executive Director, in consultation with the Chair of the Authority, has selected a date for a public hearing to be held with respect to the Application in conjunction with a meeting of the Authority and has caused notice of the public hearing to be published at least seven (7) days prior to the date of the hearing in a newspaper of general circulation available to residents of the locality where the Project Facilities are located. In addition, the Authority has caused the notice to be posted on the Authority's website at least seven (7) days prior to the date of the hearing.

4. As required by Section 147(f) of the Internal Revenue Code of 1986, as amended, this Authority conducted a public hearing on March 17, 2021, on the proposal to finance the Project, at which public hearing all parties who appeared or who submitted written comments were given an opportunity to express their views with respect to the proposal.

5. Officers of the College have presented to this Authority information concerning the Project, the feasibility of the Project, the Project Facilities, the financing schedule for the Project, and responded to other matters concerning the Project, the Project Facilities, the Institution, and the College.

6. The Executive Director of the Authority, bond counsel, and the municipal advisor to the Authority, have reviewed the Application and the exhibits thereto, and recommend that the Authority approve the Application as submitted, subject to the conditions herein set forth.

7. On the basis of the information contained in the Application and its exhibits and presented orally to the Authority, its Executive Director, bond counsel, and municipal advisor, and on the basis of the recommendations made, the Authority hereby finds and determines that:

(a) The College is a nonprofit corporation and the Institution is an institution of higher education in the state, eligible to be a participating institution of higher education under Minnesota Statutes, Sections 136A.25 through 136A.42, as amended (the "Act").

(b) The Project as described in the Application is eligible for financing by the Authority and is a "project" under the Act.

(c) The Project Facilities and the financing and refinancing thereof are intended for and will provide for additional educational opportunity to the current and future generations of youth of the state in nonprofit institutions of higher education and will otherwise carry out the purposes and policies of the Act.

(d) The Institution is nonsectarian and does not require or forbid attendance by students or any other persons at religious worship or acceptance of any religious creed and does not promulgate the distinctive doctrines, creeds or tenets of any particular religious sect and all courses of study, including any religion and theology courses, are taught according to the academic requirements of the subject matter and the instructor's concept of professional standards.

(e) The Institution admits students without unlawful discrimination, and does not exclude, expel, limit or otherwise unlawfully discriminate against enrolled students, in accordance with Minnesota Statutes, Section 363A.13.

(f) The Project Facilities are available to the students of the Institution without unlawful discrimination, in accordance with Minnesota Statutes, Section 363A.13.

(g) Issuance of the bonds by the Authority will not have the primary purpose or effect of advancing religion or interfering with the free exercise of religion and will not provide financing for a facility used or to be used for sectarian instruction or as a place of religious worship or a facility which is used or to be used primarily in connection with any part of the program of a school or department of divinity for any religious denomination.

(h) The Project and the issuance of revenue bonds appear feasible.

8. The Project and the issuance of revenue bonds of the Authority in the maximum aggregate principal amount of $15,500,000 are therefore approved, provided that the College shall furnish any items which are needed to complete the Application or which are reasonably required by bond counsel in order to deliver an unqualified opinion as to the validity of the revenue bonds and tax status of the interest on the revenue bonds.

9. North Slope Capital Advisors, as municipal advisor to the Authority, has reviewed the terms set forth in the Financing Plan, dated March 17, 2021, recommending the issuance and sale of Revenue and Refunding Bonds, Series 2021 (Macalester College), in the maximum amount of $15,500,000 (the "Bonds"), to provide financing for the Project, which terms are hereby approved.

10. Upon the recommendation of the Authority's municipal advisor and approval by the College, the Executive Director is authorized to select an underwriter for the Bonds (the "Underwriter").

11. Upon the recommendation of the Authority's municipal advisor and bond counsel and the approval of the College, the Executive Director may execute and deliver on behalf of the Authority a Bond Purchase Agreement whereby the Authority agrees to sell and the Underwriter agrees to purchase the Bonds in a principal amount not to exceed $15,500,000, with a maximum true interest cost not to exceed five percent (5%) and with a purchase price of not less than ninety-eight percent (98%) of the principal amount

of the Bonds plus accrued interest (or in the alternative, providing for underwriting compensation of not more than two percent (2%) of the proceeds of the Bonds), all subject to the terms and conditions set forth herein and in the Bond Purchase Agreement.

12. The Executive Director shall direct bond counsel to the Authority or other legal counsel to prepare for review by the Executive Director, the College, and the Underwriter all necessary bond documents, including a Loan Agreement, a Trust Indenture, a Bond Purchase Agreement, a Continuing Disclosure Certificate, and all other documents deemed necessary or desirable consistent with the provisions of the Financing Plan and substantially similar to the bond documents for revenue bonds most recently issued and sold by the Authority, but with appropriate changes.

13. The Authority's disclosure consultant shall prepare an Official Statement and any Preliminary Official Statement in consultation with the Underwriter, the College, the Executive Director, and bond counsel setting forth all material facts with respect to the Bonds, the Project, the Project Facilities, the Authority, the College, and the Institution. Upon recommendation of the municipal advisor and bond counsel, such Official Statement or any Preliminary Official Statement shall be deemed by the Executive Director (or with his or her approval, the College) to be the final official statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission. The Authority hereby consents to the preparation of the Official Statement in such deemed final form and the distribution by the Underwriter in offering the Bonds for sale to the public and to any changes to the Official Statement to reflect the final terms of the Bonds and the related bond documents. Notwithstanding such consent, the Authority takes no responsibility for, and makes no representations or warranties as to, the accuracy, sufficiency or completeness of the Official Statement (other than information relating to the Authority).

14. The Underwriter is authorized to distribute the Official Statement and any Preliminary Official Statement for pricing purposes, provided that prior to the distribution, if recommended by bond counsel, an application for registration of the Bonds shall be filed under the Minnesota Securities Act, Minnesota Statutes, Chapter 80A, as amended. Prior to the execution of the Bond Purchase Agreement, bond counsel shall advise the Executive Director that such registration shall have been made effective by the Minnesota Department of Commerce or that registration is not required for offer and sale of the Bonds in Minnesota.

15. Notwithstanding the foregoing provisions, the Bonds shall not be issued and delivered and the bond documents (other than the Bond Purchase Agreement) shall not be executed and delivered without the further action and approval and adoption of a series resolution with respect to the Bonds by the Authority.

16. Upon the recommendation of the College and the Authority's municipal advisor, the Executive Director is authorized to select a trustee for the Bonds, which shall also act as paying agent and registrar.

17. The Authority and the College each respectively reserves its right to terminate the Project and the financing thereof under the Act as provided in the Indemnity Agreement.

Adopted: March 17, 2021

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

By ______________________________________
Michael D. Ranum, Chair

By ______________________________________
Gary D. Benson, Secretary

Approved: _______________________________
Governor, State of Minnesota

Date Approved: __________________________

MN630-2 (JAE)
704493v2

SERIES RESOLUTION

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY
REVENUE AND REFUNDING BONDS, SERIES 2021
(MACALESTER COLLEGE)

BE IT RESOLVED by the Minnesota Higher Education Facilities Authority (the "Authority") as follows:

1. Pursuant to the resolution adopted on March 17, 2021 (the "Prior Resolution"), the Authority has (i) approved the Application of Macalester College, a Minnesota nonprofit corporation (the "College"), as owner and operator of Macalester College, to refund the Authority's outstanding Revenue Bonds, Series Seven-S (Macalester College) (the "Series Seven-S Bonds"), originally issued to finance costs of project facilities as more fully described therein, to finance a portion of the costs of improvement of the project facilities more fully described therein, and to pay certain issuance costs, and conducted a public hearing in connection therewith as required by law; (ii) authorized the issuance and sale of the Authority's Revenue and Refunding Bonds, Series 2021 (Macalester College) (the "Bonds"); and (iii) directed the preparation of documents, including an Official Statement. All provisions and findings of the Prior Resolution are hereby ratified and confirmed except to the extent amended hereby and incorporated herein.

2. The Prior Resolution authorized Bonds to be issued in the maximum principal amount of $15,500,000. The College has requested that the Bonds be issued as one series of bonds in an aggregate principal amount not to exceed $15,500,000, the interest on which will be excluded from gross income of the bondholders pursuant to the Internal Revenue Code of 1986, as amended (the "Code").

3. The Executive Director, on behalf of the Authority, is authorized and directed to take all action necessary or desirable to negotiate the sale of the Bonds, provided that the final maturity of the Bonds shall not be later than March 1, 2043, the principal amount of the Bonds shall not exceed $15,500,000, the true interest cost shall not exceed five percent (5%), and the purchase price shall be not less than ninety-eight percent 98%) of the principal amount of the Bonds plus accrued interest, if any (or in the alternative providing for underwriting compensation of not more than two percent (2%) of the proceeds of the Bonds). Upon the recommendation of the Authority's municipal advisor, and bond counsel and with the approval of the College, the Executive Director shall execute and deliver, on behalf of the Authority, a Bond Purchase Agreement. A schedule summarizing the maturities, interest rates, yields or issue prices and other terms and provisions of the Bonds, and the purchase price and other particulars relating to the sale of the Bonds shall be made available to the Authority at the next regularly scheduled meeting of the Authority following the execution of the Bond Purchase Agreement. This Authority hereby authorizes the issuance and delivery of the Bonds and no further approval by this Authority is required.

4. At the request and with the consent of the College, and with the advice of the Authority's municipal advisor, the Authority consents to the selection of Piper Sandler & Co. as the sole underwriter (the "Underwriter") for the Bonds hereby approved.

5. The forms of the following documents relating to the Bonds have been made available to the Authority:

(a) Loan Agreement (the "Loan Agreement") between the Authority and the College, expected to be dated as of April 1, 2021.

(b) Trust Indenture (the "Indenture") between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee"), expected to be dated as of April 1, 2021.

(c) Continuing Disclosure Certificate of the College, expected to be dated as of April 1, 2021.

The Chair, the Secretary, and any officer authorized to act on behalf of the Chair or the Secretary are each, acting individually, authorized to execute, seal, and deliver counterparts of the Loan Agreement and the Indenture, duly completed, for and in the name of the Authority, with all such changes and insertions therein as the officer executing the same shall approve, such approval to be evidenced conclusively by such officer's signature. In addition, the Executive Director of the Authority is hereby authorized to furnish to the original purchaser of the Bonds a reasonable number of copies of the final Official Statement for purposes of such purchaser's obligation to provide copies of the final Official Statement to customers and potential customers pursuant to MSRB Rule G-32 and Securities and Exchange Commission Rule 15c2-12, respectively.

6. The Bonds shall be in substantially the form set forth in the Indenture, and when printed in typeset or typewritten form shall be executed, sealed, and delivered by the manual or facsimile signatures of the Chair or the Vice Chair and the Secretary or the Assistant Secretary of the Authority and submitted to the Trustee for authentication, all as more fully provided in the Indenture.

7. The appointment of Wells Fargo Bank, National Association, as Trustee under the Indenture is hereby approved, ratified, and confirmed.

8. Other than proceeds that will be used to pay a portion of the costs of issuance (including the underwriting discount), the proceeds of the Bonds shall be deposited as follows (capitalized terms have the meanings given them in the Indenture):

(a) The accrued interest on the Bonds, if any, shall be deposited to the Bond and Interest Sinking Fund Account to be kept and maintained by the Trustee under the Indenture.

(b) An amount which, together with other available funds of the College, if necessary, will be equal to the amount necessary to redeem and prepay the outstanding Series Seven-S Bonds shall be deposited to the Series Seven-S Refunding Account and immediately transferred to the trustee for the Series Seven-S Bonds to redeem, prepay, and discharge the Series Seven-S Bonds.

(c) All other proceeds of the Bonds shall be deposited to the Construction Account with the Trustee under the Indenture to be used and paid out by the Trustee for payment of the Project Costs, in accordance with the Indenture and the Loan Agreement.

9. As required by Minnesota Statutes, Sections 136A.25 through 136A.42, as amended (the "Act"), the officers of the Authority authorized to sign checks or otherwise handle funds of the Authority shall furnish a surety bond, executed by a surety company authorized to transact business in the State of Minnesota as surety and file the same in the office of the Secretary of State of Minnesota, subject to approval of the Attorney General, prior to delivery of the Bonds.

10. Pursuant to the recommendation of bond counsel, the Authority hereby finds and determines that a combination of mortgagee's form or owner's form of title insurance policy, or title insurance commitment, or owner and encumbrances reports, or title opinions, may be furnished by the College as evidence of title to the Project Site (as defined in the Loan Agreement) and priority of liens.

11. The terms and provisions of the Bond Purchase Agreement and the documents listed in paragraph 5 of this Resolution as to which the Authority is a party and the Prior Resolution are all approved, ratified and confirmed, except to the extent amended hereby. The officers of the Authority, the municipal advisor, and bond counsel are hereby authorized and directed to execute and deliver all closing documents and do every other thing necessary or convenient to carry out the terms and provisions of each such bond document to the end that the Bonds shall be delivered, secured and serviced and to carry out the purposes and provisions of the Act with respect thereto without further resolution or other action by this Authority.

[12. The electronic signature of the Chair, the Vice Chair, the Secretary, the Assistant Secretary, and/or the Executive Director of the Authority to this resolution, any document, and any certificate authorized to be executed hereunder shall be as valid as an original signature of such party and shall be effective to bind the Authority thereto. For purposes hereof, (i) "electronic signature" means a manually signed original signature that is then transmitted by electronic means; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message.]

Adopted: March 17, 2021

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

By ______________________________
Michael D. Ranum, Chair

By ______________________________
Gary D. Benson, Secretary

MN630-2 (JAE)
704495v2

MINNESOTA
HIGHER EDUCATION
FACILITIES AUTHORITY

Standing Rules of Operation

Note: Sections without edits have been collapsed for ease of viewing changes only.

100 Financing Governance

(Renamed from “100 Financing programs”)

101 Executive Director Arbitrage Election Authorization
102 Executive Director to Conduct Public Hearings

Created through Resolution *12-92-4*, December 16, 1992
Policy Review Schedule: *Annual*
Most Recent Review: September 16, 2020

1. Under Section 147(f) of the Internal Revenue Code, the Authority is required to hold a public hearing with respect to each project described in the application after notice of the public hearing is published at least 7 days prior to the date of the hearing on the Authority’s primary public website in an area of the website used to inform residents about events affecting the residents. Notice is also published at least 7 days prior to the date of the hearing in the local newspaper published in the geographic area of the site of the project to be financed. The notice may be, but is not required to be published, in the Minnesota State Register, the official publication of the State of Minnesota’s Executive Branch of government, which contains official notices of the State of Minnesota.
2. In the event fewer than a quorum of the Authority members are able to attend, for whatever reason, any public hearing, the Executive Director of the Authority may conduct such hearing to allow all members of the public who wish to comment on a proposed project the opportunity to express their views. The Executive Director shall report on the public hearing and provide a recording of the hearing and written comments, if any, submitted by the public to the Authority at the next meeting of the Authority. The Authority shall consider and take action on the application under review after receiving the Executive Director’s report and reviewing the recording and written comments, if any, and after an opportunity to discuss the application with the institution at the next or any future meeting of the Authority.

Commented [AL1]: Note to Board:
Addition. Updated to reflect current practice and IRS guidelines.

2020 Update:
Public Hearing date published has been updated from 14 to 7 days in accordance with the update of the IRS regulations regarding notice requirements. Public Hearing notice requirements updated from two publications (State Register and newspaper) to website and State Register. Simplified from resolution language https://www.govinfo.gov/content/pkg/FR-2018-12-31/pdf/2018-28371.pdf Sections 100 and 200 have been combined and renumbered.

103 Compliance with SEC Rule 15c2-12 (Continuing Disclosure)

Created through Resolution 3-96-6, March 20, 1996
Policy Review Schedule: *Annual*
Most Recent Review: September 16, 2020

Renumbers policy from: 205 Compliance with SEC Rule 15c2-2 (Continuing Disclosure)

- It shall be the policy of the Minnesota Higher Education Facilities Authority (the "Authority") that for each issue of debt securities subject to the continuing disclosure requirement of SEC Rule 15c2-12, a Continuing Disclosure Agreement will be prepared and executed as a part of the initial financing documents, pursuant to which the obligated party (generally the college of university) will agree with the trustee (for the benefit of the bondholders) to provide annual reports and reporting of material events, as specified by the Rule.
- To facilitate compliance with the Continuing Disclosure Agreement, the Authority will coordinate with the borrowing institution to provide for the Authority to function as a dissemination agent for the annual report information. In that role, the Authority will agree to receive a copy of the institution's annual report information and file the report with EMMA. If an institution ~~declines~~prefers to be responsible for required reporting, the Authority will confirm with the borrowing institution that the obligation to comply with Rule 15c2-12 lies with the institution rather than the Authority. While not obligating itself to ensure the timely preparation and filing of each institution's reports, the Authority will maintain a ~~"tickler"~~ file of due dates for reporting by the various institutions which have entered into Continuing Disclosure Agreements and consult with the institutions to help facilitate timely filing of the annual report with EMMA.

Commented [AL2]: Note to Board: Rephrased for clarity.

Commented [AL3]: Note to Board: Unnecessary wording removed.

2020 Update:
Process has changed since EMMA was created in 2009. Updates designed to keep the spirit of the resolution while conveying the current process. Sections 100 and 200 have been combined and renumbered.

104 Application Questionnaire
105 Policy on Private Placement Financing
106 Delayed, Altered or Abandoned Previously Approved Application Projects
107 Guidelines for Selection and Retention of Bank Trustees
108 Post-Issuance Compliance

200 Financing Education Provided

(Renamed from "200 Financing Process")

201 Annual Bond Financing Conference

202 Financing Education on Authority Website

300 Financing Fees

301 Annual Fee Calculation to be Based on Outstanding Balance

(Renamed from "Authority Fee Schedule")

Created through Resolution 4-90-2, April 25, 1990
Policy Review Schedule: *None required*
Most Recent Review: October 21, 2020

The annual administrative fee of 0.125 of 1% of the original bond issue be changed to 0.125 of 1% of the outstanding principal balance for all bonds issued after December 19, 1989.

Commented [AL4]: Note to Board: Addition for clarity.

2020 Update:
Updated from resolution format (Resolution 4-90-2)

302 Annual Fee Adjustments for Maturities and Refundings

303 Application Fees

304 Annual Fee Discount Calculation

400 Governance

401 Bylaws of Minnesota Higher Education Facilities Authority

Created 12/7/1971, Amended 9/23/1980, 6/21/1989, 12/16/1992, and 11/17/1993
Policy Review Schedule: *Annual*
Most Recent Review: February 21, 2018

Article I – The Authority

Section 1. Office of the Authority

The general offices of the Authority shall be at St. Paul, Minnesota, or at such other place as the Authority may from time to time designate by resolution.

Commented [AL5]: Note to Board:
As we approach the end of our current lease and explore new office space options, we may want to revisit the requirement that the Authority offices be in St. Paul, particularly given the ability to work from home and future state of offices in general. Potential future change.

Section 2. Purposes

The purpose of the Authority is to provide assistance to nonprofit institutions of higher education in the State of Minnesota in the acquisition and improvement of facilities under and by the exercise of powers granted by the Minnesota Higher Education Facilities Authority Act, Sections 136A.25 to 136A.42, Minnesota Statutes, and any amendments and supplements thereto.

Commented [AL6]: Note to Board:
This section will need to be updated with the passing of expansion resolution to include healthcare and senior living. Future change.

Section 3. Program

The program of the Authority shall conform to the following requirements:

- The program of the Authority shall involve the acquisition of obligations of participating institutions of higher education entered into to carry out the purposes of the Authority, including leases of facilities by the Authority and participating institutions.
- At least 90% of all such leases and other obligations shall be evidences of loans (within the meaning of the Internal Revenue Code) to exempt persons (within the meaning of Section 103(b) (3) of the Internal Revenue code).
- At least 90% of all amounts received by the Authority with respect to obligations acquired under the program shall be used for one or more of the following purposes: To pay the principal or interest or otherwise to service the debt on revenue bonds or notes of the Authority relating to the program; to reimburse the Authority, or to pay, for administrative costs of issuing such revenue bonds and notes; to reimburse the Authority, or to pay, for administrative and other costs and anticipated future losses directly related to the program financed by such revenue bonds and notes; to make additional loans for the same general purposes of the Authority; or to redeem and retire revenue bonds and notes of the Authority at the next earliest possible date of redemption.
- Any participating institution (or any related person, as defined in Section 103(b) (6) (C) of the Internal Revenue Code) from whom the Authority may, under the program, acquire obligations shall not, pursuant to an arrangement, formal or informal, purchase the revenue bonds or notes of the Authority in any amount related to the amount of lease or other obligations of the participating institution to be acquired under the program from such person by the Authority.

Article II – Officers

Section 1. Officers

The officers of the Authority shall be a Chairperson, a Vice Chairperson and a Secretary. The Authority may in its discretion appoint an Assistant Secretary, a Treasurer, and such additional officers as it may deem expedient. Except for the Chairperson, the Vice Chairperson and the Secretary, officers of the Authority need not be members of the Authority.

Section 2. Chairperson

The Chairperson shall be elected at the annual meeting for a term of one year or until his/her replacement is duly elected and shall preside at all meetings of the Authority and shall have general supervision over the business and affairs of the Authority. The Chairperson may serve only two full consecutive terms in this position. Except as otherwise authorized by resolution of the Authority, the Chairperson shall sign all orders, contracts and other instruments made by the Authority.

Section 3. Vice Chairperson

The Vice Chairperson shall be elected at the annual meeting for a term of one year or until his/her replacement is duly elected. The Vice Chairperson may serve only two full consecutive terms in this position. Except as otherwise prohibited by law, the Vice Chairperson shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson.

Section 4. Secretary

The Secretary shall keep a record of the proceedings of the Authority and shall be custodian of all books, documents and papers filed with the Authority and of the minute book or journal of the Authority. The Secretary may serve only two full consecutive terms in this position. The Secretary may cause copies to be made of all minutes and other records and documents of the Authority and may give certificates to the effect that such copies are true copies, and all persons dealing with the Authority may rely upon such certificates.

Section 5. Assistant Secretary and Recording Secretary

The Assistant Secretary and Recording Secretary are optional positions created by the Board to assist with the duties of the Secretary. These positions are not required to be held, nor are they required to be filled by members of the Board, as referenced in Section 1. The Assistant Secretary and Recording Secretary have full power and authority to act as and to perform the duties of the Secretary, including without limitation the powers and authority to execute all documents, to affix the official seal thereto and to certify copies of resolutions and other papers of the Authority in place and stead of the Secretary. The execution of any document, certificate, or other act by the Assistant Secretary or Recording Secretary shall be binding on the Authority to the same extent as if executed by the Secretary of the Authority.

Commented [AL7]: Note to Board:
Addition of new section combines and revises the resolution of the creation of the Recording Secretary from 1993 and the existence of the Assistant Secretary, reflecting current practice.

Section ~~5~~6. Additional Duties

The officers and members of the Authority shall perform such other duties and functions as may from time to time be required by the Authority or the Bylaws or rules and regulations or resolutions of the Authority.

Section ~~6~~7. Additional Personnel

The Authority may from time to time employ such personnel as it may deem necessary to exercise its powers, duties and functions as prescribed by law. The selection and compensation of such personnel and of the Executive Director shall be determined by the Authority in accordance with applicable provisions of law.

Article III – Executive Director and Assistant Director

Section 1. Executive and Assistant Executive Officer

The Executive Officer of the Authority shall be called the "Executive Director." The person responsible in the event of the absence of the Executive Director is the "Assistant Executive Director." In the absence of a full-time Assistant Executive Director on staff, the Executive Director may designate another member of Authority staff to act as Assistant Executive Director at his/her discretion when the Executive Director is unavailable due to illness, vacation, or other absence.

Commented [AL8]: Note to Board:
Language regarding Assistant Executive Director was added when Elaine was promoted to that position. We have added language to allow for temporary designation during absences of the Executive Director since we do not currently have an Assistant Executive Director.

Section 2. Responsibilities

The Executive Director shall have general supervision over and be in administrative charge of the business and affairs of the Authority. Except as otherwise provided by resolution of the Authority, the Executive Director, or in his or her absence, the Assistant Executive Director, shall make final certification for payment of all duly authenticated and authorized items of expenditure for payment from any Authority funds from whatever source derived, and shall also approve all vouchers, payrolls, and requisitions before submission thereof for signature by an officer or member authorized to sign the same. Any duties delegated by the Authority to the Executive Director may be performed by the Assistant Executive

Director, in the event of the absence of the Executive Director, without further specific delegation by the Authority or the Executive Director.

Article IV – Meetings

Section 1. Annual Meeting

The annual meeting of the Authority shall be held each year during the month of June.

Section 2. Regular Meetings

Regular meetings of the Authority shall be held at such time or times as shall be determined by ~~resolution~~ motion of the Authority.

Commented [AL9]: Note to Board:
This is a practical change based on actual practice. The dates of meetings are presented and a motion is introduced and voted upon by the board, but a formal resolution is not passed to adopt the dates/times.

Section 3. Special Meetings

The Chairperson of the Authority may, when he/she deems it expedient, and shall, upon the request of two members of the Authority, or the Executive Director, call a meeting of the Authority. The call for a meeting, specifying the time and place of the meeting, shall be delivered ~~in person or mailed to the business or home address of~~ by e-mail or posting on the Authority website [or social media used by the Authority] to each member of the Authority not less than two days prior to the date of such special meeting. At such meetings any and all matters may be considered and acted upon by the members of the Authority present, whether or not such matters were specified in the call.

Commented [AL10]: Note to Board:
This language was added because the Executive Director may be aware of timing needed for school. (ex: Extension of Augsburg Letter of Credit timing in April 2020)

Commented [AL11]: Note to Board:
Updated forms of communication to keep with current times and practice.

Section 4. Quorum

At all meetings of the Authority six of the ten members of the Authority shall constitute of quorum for the purpose of transacting business provided that a small number may meet and adjourn to some other time and place or until a quorum shall be present.

Section 5. Passage of a Resolution

Any action taken by the Authority may be authorized by resolution approved by a majority of the voting members present at any regular or special meeting.

Section 6. Manner of Voting

The voting on all questions, motions, or resolutions at meetings of the Authority shall be by roll call~~voice~~ vote, ~~.~~unless the Board Chair or individual members request a voice vote, and the Board consents by verbal agreement to use voice voting for administrative actions or other questions, motions, or resolutions. The yeas and nays need not be entered upon the minutes of the meeting.

Commented [AL12]: Note to Board:
Updated to reflect current practice and practice suggested by IRS guidelines.

Section 7. Approval of Actions Concerning Bond Issues Without a Meeting

The Authority may delegate to the Chairperson, the Vice Chairperson, the Secretary, or the Executive Director by resolution the power to fix the date of sale of bonds, to receive bids or proposals, to award and sell bonds and to take all other necessary action. The exercise of such delegated powers may be, but is not required to be, made subject to the approval of a majority of the members of the Authority. The Assistant Executive Director may take actions, in the absence of the Executive Director, as permitted by Article III.

Section 8. Certifications of Resolutions

Each member of the Authority, and each officer of the Authority, is authorized to certify, when required, the records, proceedings, and documents for resolutions of the Authority.

Section 9. Roberts' Rules of Order

Except to the extent inconsistent with the Bylaws or applicable statutes, meetings of the Authority shall be conducted in accordance with Roberts' Rules of Order, as revised.

Article V – Fiscal Year

The fiscal year of the Authority shall commence July 1 of each calendar year and conclude June 30 of the following calendar year.

Article VI – Amendments

The Bylaws may be amended by resolution duly adopted at any meeting, annual, regular or special, provided that notice of intention to present such resolution shall be given at least five days in advance of the meeting at which the motion to adopt such resolution is made. Such notice shall be given in writing and shall state the contents of the proposed amendments and shall be ~~mailed to the business or home address of all members or delivered~~ posted on the Authority's website and emailed to all members, or in the alternative, such notice may be given orally at any meeting, in which event such notice shall be noted in the minutes of the meeting at which it is given. Advance notice of motions to amend motions to amend the Bylaws need not be given.

Commented [AL13]: Note to Board:
Updated forms of communication to keep with current times and practice.

Article VII – Suspension of Bylaws

Any and all of the provisions of the Bylaws may be suspended by unanimous consent of the members constituting a quorum present at any meeting of the Authority.

Minnesota Higher Education Facilities Authority

Budget vs. Actuals: FY2021 Budget (original) - FY21 P&L

July 2020 - June 2021

	TOTAL				
	ACTUAL	BUDGET	REMAINING	% OF BUDGET	% REMAINING
Income					
4010 Annual Fee Income	704,275.94	403,745.38	-300,530.56	174.44 %	-74.44 %
4020 Application Fee Income	1,000.00		-1,000.00		
Discounts given	-453,098.76		453,098.76		
Total Income	**$252,177.18**	**$403,745.38**	**$151,568.20**	**62.46 %**	**37.54 %**
GROSS PROFIT	**$252,177.18**	**$403,745.38**	**$151,568.20**	**62.46 %**	**37.54 %**
Expenses					
6000 Stipends	2,145.00	3,520.00	1,375.00	60.94 %	39.06 %
6001 Board Travel		2,500.00	2,500.00		100.00 %
6002 Communications	11,291.86	24,064.00	12,772.14	46.92 %	53.08 %
6003 Staff Travel	178.28	6,250.00	6,071.72	2.85 %	97.15 %
6004 Office Rent	32,320.48	48,480.72	16,160.24	66.67 %	33.33 %
6005 Office Supplies	392.14	1,750.00	1,357.86	22.41 %	77.59 %
6006 Repairs		500.00	500.00		100.00 %
6007 Printing Expense	511.81	2,500.00	1,988.19	20.47 %	79.53 %
6008 Periodicals/Memberships	3,279.00	8,000.00	4,721.00	40.99 %	59.01 %
6009 Fiscal Consultant Fees	1,500.00	1,000.00	-500.00	150.00 %	-50.00 %
6010 Audit Fees	19,125.00	19,125.00	0.00	100.00 %	0.00 %
6012 Legal Fees	25,093.10	52,000.00	26,906.90	48.26 %	51.74 %
6013 Insurance Expense		2,000.00	2,000.00		100.00 %
6015 Miscellaneous Expense	171.00	1,000.00	829.00	17.10 %	82.90 %
6016 Bank Service Charges	1,772.60	3,000.00	1,227.40	59.09 %	40.91 %
6017 Conference Expenses		5,000.00	5,000.00		100.00 %
6020 Professional Development-STAFF	1,007.00	5,000.00	3,993.00	20.14 %	79.86 %
6021 IT	5,871.76	9,800.00	3,928.24	59.92 %	40.08 %
6023 Postage/Delivery Expense	6.90	275.00	268.10	2.51 %	97.49 %
6100 Salaries	131,436.74	210,000.00	78,563.26	62.59 %	37.41 %
6101 Fringe Benefits	37,718.46	64,000.00	26,281.54	58.94 %	41.06 %
6104 Worker's Compensation	170.00	170.00	0.00	100.00 %	0.00 %
6200 Equipment Leases	4,699.31	6,980.00	2,280.69	67.33 %	32.67 %
Total Expenses	**$278,690.44**	**$476,914.72**	**$198,224.28**	**58.44 %**	**41.56 %**
NET OPERATING INCOME	**$ -26,513.26**	**$ -73,169.34**	**$ -46,656.08**	**36.24 %**	**63.76 %**
Other Income					
4000 Interest Income	23,741.78	36,000.00	12,258.22	65.95 %	34.05 %
4050 Unrealized Gain/Loss Adjustment on Sale	-3,149.44		3,149.44		
Total Other Income	**$20,592.34**	**$36,000.00**	**$15,407.66**	**57.20 %**	**42.80 %**
Other Expenses					
Other Miscellaneous Expense	3,346.71	7,500.00	4,153.29	44.62 %	55.38 %
Total Other Expenses	**$3,346.71**	**$7,500.00**	**$4,153.29**	**44.62 %**	**55.38 %**
NET OTHER INCOME	**$17,245.63**	**$28,500.00**	**$11,254.37**	**60.51 %**	**39.49 %**
NET INCOME	**$ -9,267.63**	**$ -44,669.34**	**$ -35,401.71**	**20.75 %**	**79.25 %**

Minnesota Higher Education Facilities Authority

Budget vs. Actuals: FY2021 Budget (original) - FY21 P&L

July 2020 - June 2021

Note
8/12 months elapsed. 33% remaining.