



The Minnesota Higher Education Facilities Authority (the “Authority” or “MHEFA”) convened a regular Board meeting at 2:00 pm Central Time, Wednesday, March 17, 2021, in the Authority’s Conference Room, 380 Jackson Street, Suite 450, Saint Paul, Minnesota.

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8, 2020 (the foregoing and other Emergency Executive Orders of the Governor relating to COVID-19, as may be amended or superseded, collectively, the “Emergency Orders”), members of the Authority participated in and attend the meeting by telephone or other electronic means in accordance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

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

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

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

The public were able to monitor the meeting by calling a toll-free number.

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

Executive Summary – Minnesota Higher Education Facilities Authority

Meeting on March 17, 2021

Board Actions Taken:

Motions:	Result:	Vote:
Approval of Meeting Minutes of January 20, 2021	Passed	Unanimous
Motion to accept and adopt changes to Sections 100 – 300 of the Authority’s Standing Rules of Order	Passed	Unanimous

Resolutions	Result:	Vote:
Approval of Resolution Relating to Application and Financing Terms for Macalester College	Passed	Unanimous
Series Resolution for Macalester College	Passed	Unanimous

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

Board Members: Gary Benson - V
 Mary Ives - V
 Mark Misukanis - T
 Michael Ranum - V
 Bonnie Anderson Rons - V
 David Rowland - V
 Nancy Sampair - T
 Poawit Yang - T
 Stacey Holland, Minnesota Private College Council, ex officio w/o vote - V

Absent: Ray Vin Zant

Other Attendees: Mark LeMay, Consultant - T
 Melanie Len, Director, Piper Sandler – V
 Keith Morgan, Managing Director, Piper Sandler - T
 Nick Taylor, Director, North Slope Capital Advisors – V

Julie Eddington, Counsel, Kennedy Graven - V
David Wheaton, VP Finance and Administration at Macalester College - V
Patricia Langer, AVP Finance at Macalester College - V

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

Executive Director Fick participated by video link and was present at the Authority Office for the meeting.

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

Agenda Item I – Minutes of the January 20, 2021 Board meeting.

The first item on the Agenda is the review and consideration of the minutes of the January 20, 2021 Authority Board meeting.

A motion was made by Mary Ives to approve the January 21, 2021 minutes. The motion was seconded by Gary Benson. Chair Ranum asked if there were any questions, discussion, or changes to the minutes of the January 20, 2021 Board meeting. Nancy Sampair noted a spelling error, which was corrected and agreed to by the maker and second of the Motion to Approve. There were no other questions or proposed changes to the minutes from Board members.

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

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

There were no votes against the motion and the Minutes (as amended) of the January 20, 2021 MHEFA Board meetings were approved.

Agenda Item II – Macalester College Application for Financing

Chair Ranum opened the Public Hearing for Macalester College. Executive Director Fick noted that Notice for the Macalester Public Hearing was published in the Saint Paul Pioneer Press and on the Authority's Website in a timely manner and that there were no comments received by the Authority prior to the Public Hearing. Mr. Fick also noted that there were no members of the public at the Authority Office.

Chair Ranum called on Mr. David Wheaton, Vice President for Finance and Administration at Macalester College and Ms. Patricia Langer, AVP of Finance at Macalester College to present the financing request of the College. David Wheaton began by introducing himself and noted that he has participated in 8 financings through the Authority for Macalester. He also noted that the College's experience was consistently positive for all the financings and that he appreciates the Authority and the work it does of Minnesota schools. He noted that he is retiring at the end of the current academic year and that Patricia Langer has been appointed interim VP for Finance and Administration. He turned the presentation over to Ms. Langer to present the funding request of the College.

Ms. Langer noted that the primary purpose of the financing is to refinance as a current refunding, the outstanding \$12,665,000 of principal for the Series Seven-S bonds, issued by the Authority for the College. The college is also requesting new money funding to replace roofs on a number of College buildings. The New money request is for \$2,040,000 of project costs.

The current refunding is being pursued to realize interest savings. The projected debt service on the new money will equal the saving in interest cost of the refunding. After completion of the new bond issue, the annual debt service of the College will be unchanged, but the College will have funded new roofs. This concluded the presentation.

Chair Ranum asked if there were questions from Board members. Bonnie Anderson Rons asked how long these roofs will last. Ms. Langer and Mr. Wheaton noted that the planned life of the roofs is 30 years, but they hope to get more than that. Their historic practice is that a building roof can last longer with preventative maintenance. Gary Benson asked if the roof replacements been bid out in market

already. Mr. Wheaton responded that estimates have been done by the firm Roof Specs who worked with internal facilities personnel at Macalester on those estimates. Gary asked for information about the type of roofs that are being replaced. Are the roofs flat membrane/sloped/steel roofs? Mr. Wheaton responded that they include sloped asphalt shingles roofs as well as flat membrane roofs. Each building is different.

Chair Ranum asked if Board members had any additional questions for Ms. Langer. There were no other questions.

Mr. Ranum closed the public hearing and asked Mr. Nick Taylor, Director and Chief Compliance Officer of North Slope Capital Advisors to provide the Board with an analysis of the financial effect of the application by the college. Mr. Taylor reviewed the Application Analysis prepared by North Slope. He referred Board members to the Application analysis and noted that new money project component will be funded by debt service savings on the refunding, resulting in no expected additional annual debt service as a result of the Series 2021 financing.

Mr. Taylor noted that in the professional opinion of North Slope Capital Advisors the refunding and new money project appears fiscally feasible and a bond with adequate security can be structured. Mr. Taylor noted the enrollment initiatives of the College and the consulting relationship the College has entered into with a local Foundation to enhance financial assistance to and enroll more students who traditionally have not been students at Colleges such as Macalester.

Mr. Taylor concluded his presentation and asked if Board members had questions. Board member Gary Benson noted that the Board has recently seen mostly negative outlooks assigned by Moody's. Are those automatic for every school because of the pandemic? Executive Director Fick responded that there is a negative outlook on the industry itself from Moody's, but they also look at enrollment trends for each institution. Nick Taylor agreed with this assessment. Melanie Lien of Piper Sandler, the underwriter selected to market the Series 2021 Macalester bonds as well as the recent Series 2021 St. Olaf College bonds, noted that the Authority saw a stable outlook for St. Olaf College because they have such strong cash flows. Macalester has a less vibrant cash flow, but has a strong balance sheet, which offsets to a degree the less strong cash flow. Mr. Taylor noted that interest rates remain very favorable for borrowers but are trending upward in the past few weeks. There were no other questions from Board members.

Mr. Ranum next asked Ms. Julie Eddington, Esq. from the Kennedy Graven law firm, serving as bond counsel for the Macalester financing, to review Bond Counsel's Application Memorandum. Ms.

Eddington directed the Board's attention to the Application of Macalester College for MHEFA Financing Memorandum, dated March 10, 2021. Ms. Eddington noted that the memo represents Bond Counsel's findings from their review of the Macalester Application for financing. It also notes that certain items are missing and need to be provided prior to issuing the bonds. It reviews representations made by Macalester in their Application and discusses IRS limitations on tax-exempt financed projects, noting how those limitations might affect the Macalester Project.

Ms. Eddington concluded her presentation and asked if there were questions from Board members. There were no questions from Board members.

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 Macalester 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 is designed to show level annual debt service savings from the refunding of the Series Seven-S bonds. The additional debt service attributable to the new money component will approximate the annual savings resulting from the refunding. The final result of the issuance of the Series 2021 Macalester Bonds will be for the College's annual debt service to remain unchanged but allow the replacement of roofs on a number of campus buildings, effectively at no interest cost to the College.

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 not subject to any financial covenants so long as the Series 2021 Bonds remain outstanding.

Mr. Taylor reviewed the preliminary debt service for the Series 2021 Bonds shown on Exhibit A of the Preliminary Finance Plan. He discussed Exhibit B with the Board, noting that it shows all outstanding long-term debt of the College and illustrates how the 2021 bond debt service remains level for each future year the bonds are expected to be outstanding.

Mr. Taylor noted that the Moody's Credit Rating of Aa3, Negative Outlook was assigned to the outstanding debt of the College in December 2020. A meeting was held with Moody's on March 15 for the purpose of obtaining a rating for the Series 2021 Bonds. Moody's indicated that since the Series 2021 Bonds were considered in the assignment of the rating in December 2020 and no

adverse financial information has been presented since then, they do not anticipate a change in the credit rating for the Series 2021 Bonds. This is an affirmation of the current Moody's credit rating on Macalester 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 Ms. Julie Eddington, Esq. from the Kennedy Graven law firm, serving as bond counsel for the Macalester financing, to review Bond Counsel's Resolution Relating to Application and Financing Terms for Macalester College, dated March 17, 2021. Ms. Eddington outlined the components of the Resolution Relating to Application and Financing Terms for Macalester College noting that some of the components of the Resolution relate to the Application specifically to the Application by the College for financing assistance through the Authority. In addition, some components of the Resolution relate specifically to the Financing Terms review.

The resolution recites the terms of the Series Seven-S Bonds and authorizes the refunding of those bonds by the Series 2021 Bonds. The Resolution also authorizes the funding of renovation and replacement projects included in the College's Application.

Ms. Eddington noted that the Resolution reviewed, recited and affirms the actions taken previously by the Board and finance professionals related to the Macalester 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. The Resolution notes that the Project and the issuance of revenue bonds appears feasible. The Resolution also notes that the Authority's municipal advisor has also reviewed the Application and the recommendation of the municipal advisor is approved by the Resolution. Based on the recommendation of the municipal advisor and bond counsel, the Authority is authorized to proceed with the final documentation for the Series 2021 Bonds and direct preparation of final documents necessary to market and sell the Series 2021 Bonds.

Ms. Eddington concluded her 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 Application and Financing Terms for Macalester College. The motion was seconded by Bonnie Anderson Rons. Chair Ranum asked if there were any questions, discussion, or changes for Ms. Eddington regarding

the Resolution. There were no other questions for Ms. Eddington related to the Resolution Relating to Application and Financing Terms for Macalester College.

Chair Ranum called for a Roll Call vote regarding the approval and acceptance of the Resolution Relating to Application and Financing Terms for Macalester 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
	David Rowland	Yes
	Bonnie Anderson Rons	Yes
	Nancy Sampair	Yes
	Powait Yang	Yes

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

Mr. Ranum then asked Ms. Eddington to review the Series Resolution Relating to the Minnesota Higher Education Facilities Authority Refunding and Revenue Bonds, Series 2021 (Macalester College).

Ms. Eddington directed the Board's attention to the Series Resolution included in the Board information packet. The Resolution includes 12 findings, which Ms. Eddington summarized for the Board. The Series 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.

Bond Counsel noted that the Series Resolution includes a provision providing for electronic signatures for closing documents.

Barry added that including an electronic signature provision is especially efficient for the pandemic environment and provides flexibility, as well as small cost savings for the College. The board agreed to leave the electronic signature section in.

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 David Rowland 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 Ms. Eddington regarding the Resolution. There were no other questions related to the Series Resolution of Macalester 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
	David Rowland	Yes
	Nancy Sampair	Yes
	Poawit Yang	Yes

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

Barry clarified that often the Authority holds two separate meetings for the application and financing plan, however because this financing is mostly a refinancing and is an interest rate sensitive financing, it was done in one meeting. The Authority will ask for the Governor to sign the resolution and return within two weeks to stay on track.

David Rowland asked Macalester how applications are going for fall and what they are doing regarding standardized testing.

David Wheaton responded that Macalester has made standardized tests optional, however that was not pandemic related and was a change that was in the works prior to the pandemic. Macalester did

waive application fees and implemented some early decision options. For this coming fall, they have received 9,000 applications, much more than the previous record high of 6,600 applications. Admissions is very busy but has noted that the pandemic environment with remote visits has allowed them to be in front of some students they would not have reached otherwise due to students' lack of ability to travel to all desired schools.

David Wheaton noted that this is his eighth and final financing with the Authority as he is retiring at the end of the semester. Patricia Langer will be taking his place on an interim basis until an official replacement is chosen. David expressed much appreciation for the MHEFA process, noting that it has always been very smooth, well-organized, and well-structured. From Macalester's point of view, the financings have all worked well and the support they get after financings is wonderful.

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

Agenda Item III – Policy Review – Bylaws and Sections 100 – 300 of Standard Operating Rules

Chair Ranum asked Operations Manager Amanda Lee to discuss and outline the Motion included in the packet that relates to the Board

Amanda reviewed minor changes to Sections 100-300 of the Authority's Standing Rules of Operation, as well as recommended changes to the Authority's bylaws to keep with current practice. A motion will be considered to adopt the changes to Section 100-300, but the bylaws will need to be changed through a resolution process. A resolution will be put together for the next Authority meeting to adopt the changes. Amanda encouraged the board to review the recommended changes and the rest of the bylaws prior to the next meeting and suggest any further changes they see fit to be included in the resolution to change the bylaws.

The changes to the Standing Rules of operation are updates that will coordinate the Rules with actual procedure and reflect changes to operations over the past 18 months, including changes that have resulted due to the COVID-19 Pandemic. None of the proposed changes are material or change the result of Authority Operations. Rather the updates are designed to provide a current framework for future Authority operations and provide a guide for procedures to maintain compliance with regulatory and statutory rules.

Nancy Sampair asked if the state requires the Authority to house their office in the city of St. Paul. Barry responded that the Authority is not aware of any requirements that we be in St. Paul. In fact, many other agencies are not located in St. Paul. The state may offer state office space to the Authority, however, the Authority has been able to secure better pricing on its own that fits its needs better than state office building space, so it will likely not be utilized.

Mary Ives asked if public meetings require a St. Paul location. Barry noted that the public meeting space is wherever the public meeting is held. We simply need to notify the public of where the meeting will be held. We have confirmation from several of our schools that they are willing to host our meetings, so that is an option. The Authority has also scheduled a discussion with the State of MN's Attorney General's Office to discuss the future use of video meetings for public meetings without requiring each member's residence/location to be open to the public. Video meetings have resulted in better board participation and allow the same, if not better, access for the public.

Mark Misukanis noted that in Article IV, Section 6, it states in old language that the yeas and nays need not be recorded in meeting minutes. A brief discussion by the board agreed that this language should be updated, as current practice is to use roll call votes instead of voice votes, and yeas and nays are recorded in the minutes. The Authority will draft new language for that piece to be approved prior in the resolution to amend the bylaws at the next Authority meeting.

Mr. Ranum asked if there were questions related to the Motion from Board members. There were none.

A motion was made by Mary Ives to approve and accept the Motion Relating to Standing Rules of Order Section 100 – 300 revisions and updates. The motion was seconded by Nancy Sampair. Chair Ranum asked if there were any questions, discussion, or changes regarding the Motion. There were no other questions or changes related to the Motion Relating to Standing Rules of Order Section 100 – 300 revisions and updates.

Chair Ranum called for a Roll Call vote regarding the approval and acceptance of the motion Relating to Standing Rules of Order Section 100 – 300 revisions and updates. 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
David Rowland	Yes
Bonnie Anderson Rons	Yes
David Rowland	Yes
Nancy Sampair	Yes

There were no votes against the motion and the Motion Relating to Standing Rules of Order Section 100 – 300 revisions and updates was approved.

Agenda Item IV – Old Business

There was no old business for consideration or action by the Authority Board.

Agenda Item V – New Business

Chair Ranum asked Mr. Fick if there was any New Business to be addressed by the Board. Mr. Fick responded that Operations Manager Amanda Lee had an item of New Business for Board member consideration.

Amanda Lee shared that she will be going out on maternity leave sometime in July of this year and will be out for 12 weeks. She noted that the Authority has been working on a plan for while she is out, and Robert Half's Management Services will be utilized to find a temporary replacement for those 12 weeks, plus additional time for training. This will result in a budget expense for both FY21 and FY22. Operations Manager Lee and Executive Director Fick will coordinate a plan for coverage of Amanda's duties over the summer and keep the Board apprised of plans to ensure continued operation of the Authority without loss of fidelity.

Board members congratulated Amanda on her news and expressed hope for good health and a successful pregnancy. No action need be taken on this new business item.

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

Agenda Item VI – Other Business

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

Legislative Update

Our legislation has unanimously passed through the Senate Higher Education committee and referred to the Health Committee. Due to substantial other legislation and COVID restrictions, it appears our legislation will not be able to be considered this session. We are working with our legislative consultants on options but may need to defer until the 2022 legislative session.

Borrower Application Update

- St. John's University has revived their 2019 application for financing from St. John's University to i) construct a residence hall that will replace a 1970's era residence facility and ii) fund various campus improvements
- Hamline University is working with US Bank on extension of an existing bank placement and modifying the terms to expand the placement amount borrowed

Building Lease Update

We have had an update video call with Jeffrey Flake, the Bigos staff person who is the contact for Cray Plaza updates and Stephanie Simmons, the Bigos staff person who will be taking over primary responsibility for Cray Plaza over the next few months. Phase I (of 4 Phases) of demolition or reconstruction is almost complete.

Some issues have arisen that we addressed with Jeff and Stephanie:

- The men's bathroom on our floor is permanently out of operation. The contractors apparently demolished it in error.
- The Water supply to our office was inadvertently cut off in early March. Building staff is working on restoring the water supply.
- Bigos indicated that they are unlikely to be willing to extend our lease beyond November 2022

Re-Investment of Certificates of Deposit - Update

- We have 1 certificate maturing March 18
- We have 1 certificate maturing April 7

Borrower Staffing Update

We have 2 school staffing updates to report this month.

- Macalester College has named Patricia Langer as Interim VP for Finance and Admin. The College is planning to conduct a national search for a permanent VP.
- St. Scholastica is conducting a search for a permanent CFO.

That concluded Mr. Fick's Executive Director's report for March 17, 2021.

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 Mary Ives and seconded by Nancy Sampair.

The Board then voted by voice vote to adjourn at 3:12 pm, Central Daylight Time.

Respectfully submitted,



Assistant Secretary

7- Minutes for 17 Mar 2021 FINAL

Final Audit Report

2021-04-22

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"7- Minutes for 17 Mar 2021 FINAL" History

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