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## Listing of Mailout Material April 21, 2021

-  **Forwarding Letter**
-  **Meeting Agenda**

*I. Review and approve minutes of the meeting of March 17, 2021*

-  **Minutes of March 17, 2021**

*II. Saint John's University Series 2021*

-  **Saint John's University Series 2021 Application (excluding exhibits)**
-  **Application Review – Baker Tilly Municipal Advisors**
-  **Application Memorandum – Fryberger**
-  **Resolution Relating to Application - Fryberger**
-  **Preliminary Financing Plan – Baker Tilly Municipal Advisors**
-  **Resolution Relating to Financing Terms – Fryberger**
-  **Series Resolution – Fryberger**

*III. Old Business*

-  **Resolution Regarding Authority Bylaw Updates**

*IV. New Business*

*V. Other Business*

-  **March 2021 Budget vs Actual**

# MEMORANDUM



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Main Phone: 651.296.4690 Fax: 651.297.5751

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Date: 14 April 2021

To: Minnesota Higher Education Facilities Authority Board Members

From: Barry W. Fick, Executive Director

Subject: April 21, 2021 Authority Board Meeting Preview

Greetings to the Minnesota Higher Education Facilities Authority April 21, 2021 video and teleconference Board meeting. The focus of the April 2021 Board meeting will be the Application of St. John's University for financing new money projects.

We hope you are able to attend some or all of the sessions of the Authority's 2021 Annual Finance Conference, held virtually by video in 2021. We will briefly discuss the Conference at the beginning of our April Authority Board meeting.

We will also vote on changes and updates to portions 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.



Wednesday, April 21, 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 March 17, 2021
- II. Saint John's University
  - Conduct Public Hearing
  - Application Review – Baker Tilly Municipal Advisors
  - Application Memorandum by Bond Counsel – Fryberger
  - Resolution Relating to Application - Fryberger
  - Preliminary Financing Plan – Baker Tilly Municipal Advisors
  - Resolution Relating to Financing Terms – Fryberger
  - Series Resolution - Fryberger
- III. Old Business
  - Resolution Regarding Authority Bylaw Updates
- IV. New Business
  - COVID Effect on Financial Covenant Compliance
- V. 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: 474-257-269#*



The Minnesota Higher Education Facilities Authority (the “Authority” or “MHEFA”) convened a regular Board meeting at 10:00 am 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:

<b>Motions:</b>	<b>Result:</b>	<b>Vote:</b>
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

<b>Resolutions</b>	<b>Result:</b>	<b>Vote:</b>
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

## QUESTIONNAIRE

1. Name of Borrower: **St. John's University**
2. Proposed financing is for the following (check all that apply):
  - building acquisition, construction or renovation, site or equipment acquisition
  - refinancing of one or more Authority bond issues
  - refinancing of one or more indebtedness not issued by the Authority
3. 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.
  - a) each new building or complex of buildings (square footage, beds or floors)
  - b) renovations associated with a particular building or site
  - c) equipment that is not related to either the proposed new buildings or existing buildings that are to be renovated
  - d) each Authority bond issue to be refinanced, specifying the series name
  - e) each other indebtedness that is to be refinanced, specifying the date incurred, the lender and the capital project that was financed

**Project A:**

94 bed townhome style student residence for upperclassmen. Located in lower campus.

**Project B:**

Renovation and upgrades to Peter Engel Science Center

**Project C:**

Renovation of first floor Wimmer Hall

**Project D:**

Other capital improvements to existing student residential space -yet to be identified

**4. Estimated Cost Summary**

	<b>Project A</b>	<b>Project B</b>	<b>Project C</b>	<b>Project D</b>	<b>Total</b>
<b>Construction cost</b>	<b>10M</b>	<b>3.5M</b>	<b>1.2M</b>	<b>3.5M</b>	<b>18.2M</b>
<b>Architectural, engineering and consultant costs</b>	<b>1.5M</b>	<b>.75M</b>	<b>.3M</b>	<b>.5M</b>	<b>3.05M</b>
<b>Furnishings and equipment</b>	<b>1.5M</b>	<b>1.25M</b>	<b>.5M</b>	<b>.5M</b>	<b>3.75M</b>
<b>Site acquisition</b>					
<b>Principal amount of debt to be refinanced</b>					
<b>Other (excluding issuance costs and reserves)</b>					
<b>Total</b>	<b>13M</b>	<b>5.5M</b>	<b>2M</b>	<b>4.5M</b>	<b>25M</b>

**5. Estimated Financing Summary**

	<b>Project A</b>	<b>Project B</b>	<b>Project C</b>	<b>Project D</b>	<b>Total</b>
<b>Amount of funds from other sources</b>					
<b>Amount of project cost (excluding issuance costs and reserves) to be financed with Authority bonds</b>	<b>13M</b>	<b>5.5M</b>	<b>2M</b>	<b>4.5M</b>	<b>25M</b>
<b>Principal amount of debt to be refinanced</b>					
<b>Total</b>	<b>13M</b>	<b>5.5M</b>	<b>2M</b>	<b>4.5M</b>	<b>25M</b>

**6. Have any of these steps been taken? (check all that may apply)**

- Construction has started
- Construction contract has been awarded
- Purchase contract for materials or equipment has been awarded

7. Please give the approximate dates of each step that has already been taken:

**Project A:**

Architect engaged in Construction Drawing phase

**Project B:**

Phase one of the Peter Engel renovation has been completed Oct.15,2019 This phase included renovation of the main floor at a project cost of \$1.7M. CD drawings in progress for phase 2.

**Project C:**

Architect engaged in schematic design phase

**Project D:**

TBD

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

NO  
 YES

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:

9. Will any of the following actions violate any provision 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?

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

NO  
 YES

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

- NO
- YES

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

- NO
- YES

**10. Proposed Timing Summary**

	<b>Project A</b>	<b>Project B</b>	<b>Project C</b>	<b>Project D</b>
<b>Start date</b>	<b>May'20</b>	<b>May 19</b>	<b>May20</b>	<b>May 20</b>
<b>Completion date</b>	<b>August 21</b>	<b>Sept. 20</b>	<b>May 21</b>	<b>Aug. 22</b>
<b>Acquisition date if the project is only for equipment</b>				
<b>Optional redemption date for refinancings</b>				

**11.** How will this bond issue be sold?

- Competitive public sale
- Negotiated public offering
- Private placement
- Undecided

**12.** When do you wish to close on the bond issue?

- As soon as practical
- No later than 4/2020
- Not sooner than

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

- 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.

14. 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?

15. What are the preferred scheduled payment dates?

Month and earliest year for annual principal payments

10/2022

Earliest month and earliest year for interest payments

10/2021

16. Are revenues available to pay interest during the construction period?

- YES
- NO, interest should be capitalized for 12 months.
- Not Applicable

**Question 17 applies to all refinancings.**

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

- YES
- NO

B. 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

**Questions 18 and 19 apply to refinancing debt that is not Authority issued bonds**

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

- YES
- NO, because:

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

- YES  
 NO, because:

C. 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:

D. 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:

**19. Statutory Maximum to Refinance Debt Other Than Authority Bonds**

	<b>Project A</b>	<b>Project B</b>	<b>Project C</b>	<b>Project D</b>
<b>(a) Original project costs</b>				
<b>(b) Principal amount of any debt (other than Authority bonds) to be refinanced</b>				
<b>(b) Accrued but unpaid interest on debt (other than Authority bonds) to be refinanced</b>				
<b>(b) Prepayment premium (or discount) on debt (other than Authority bonds) to be refinanced</b>				
<b>(c) Appraised value of project</b>				
<b>(c) Depreciated equipment</b>				

<b>Maximum allowable: the lesser of (a) original cost, (b) principal, interest and premium and (c) present value</b>			
--	--	--	--

20. 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

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

None

**22. Governmental Approval Summary**

	<b>Project A</b>	<b>Project B</b>	<b>Project C</b>	<b>Project D</b>
<b>Zoning variance or change</b>	<input type="checkbox"/> not applicable <input type="checkbox"/> received <input checked="" type="checkbox"/> pending	<input checked="" type="checkbox"/> not applicable <input type="checkbox"/> received <input type="checkbox"/> pending	<input checked="" type="checkbox"/> not applicable <input type="checkbox"/> received <input type="checkbox"/> pending	<input checked="" type="checkbox"/> not applicable <input type="checkbox"/> received <input type="checkbox"/> pending
<b>Building permit</b>	<input type="checkbox"/> not applicable <input type="checkbox"/> received <input checked="" type="checkbox"/> pending	<input checked="" type="checkbox"/> not applicable <input type="checkbox"/> received <input type="checkbox"/> pending	<input checked="" type="checkbox"/> not applicable <input type="checkbox"/> received <input type="checkbox"/> pending	<input checked="" type="checkbox"/> not applicable <input type="checkbox"/> received <input type="checkbox"/> pending
<b>Other governmental approval</b>	<input type="checkbox"/> not applicable <input type="checkbox"/> received <input checked="" type="checkbox"/> pending	<input checked="" type="checkbox"/> not applicable <input type="checkbox"/> received <input type="checkbox"/> pending	<input checked="" type="checkbox"/> not applicable <input type="checkbox"/> received <input type="checkbox"/> pending	<input checked="" type="checkbox"/> not applicable <input type="checkbox"/> received <input type="checkbox"/> pending
<b>Environmental Assessment Worksheet</b>	<input checked="" type="checkbox"/> not applicable <input type="checkbox"/> received <input type="checkbox"/> pending	<input checked="" type="checkbox"/> not applicable <input type="checkbox"/> received <input type="checkbox"/> pending	<input checked="" type="checkbox"/> not applicable <input type="checkbox"/> received <input type="checkbox"/> pending	<input checked="" type="checkbox"/> not applicable <input type="checkbox"/> received <input type="checkbox"/> pending
<b>Environmental Impact Statement</b>	<input checked="" type="checkbox"/> not applicable <input type="checkbox"/> received <input type="checkbox"/> pending	<input checked="" type="checkbox"/> not applicable <input type="checkbox"/> received <input type="checkbox"/> pending	<input checked="" type="checkbox"/> not applicable <input type="checkbox"/> received <input type="checkbox"/> pending	<input checked="" type="checkbox"/> not applicable <input type="checkbox"/> received <input type="checkbox"/> 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.

**23. Contact Information**

**A. Legal name of corporate borrower and street address:**

Saint John's University  
University Business Office, Box 2222  
Collegeville, Mn. 56321-2222

**B. President of College or University**

Dr. Eugene McAllister

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

Richard Adamson, Vice President for Finance and Administration  
P.O Box 2222 Abbey Plaza, Collegeville, Mn. 56321  
320 363-3164  
radamson@csbsju.edu

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

Ken Osborne, Controller  
P.O Box 2222, Abbey Plaza, Collegeville, Mn 56321  
320 363-3161  
kosborne@csbsju.edu

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

Gray, Plant, Moody  
John Green, Esq.  
500 IDS Center  
80 South Eighth Street  
MPLS., MN 55402-3796

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

Clifton, Larson, Allen LLP  
William LeClaire, CPA, Principal  
PO Box 1067  
St. Cloud, MN. 56302-1067

**24. 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: Master of Divinity

**25. Religious Affiliations**

- A. Does the institution receive support from any church body?
- NO
  - YES

- B. Does a church body or religious order control the election of any trustees or officers?  
 NO  
 YES
- C. Is the consent of any religious order or any other corporation necessary before the institution may sell or mortgage its property or borrow money?  
 NO  
 YES
- D. Are there any religious qualifications for faculty appointments?  
 NO  
 YES
- E. If the institution teaches courses in religion or theology, does the institution confer a theology degree or otherwise prepare students for a religious vocation?  
 NO  
 YES
- F. If the institution teaches courses in religion or theology, does the institution teach the distinctive doctrines, creeds or tenets of any particular religious sect?  
 NO  
 YES
- G. Are the students required to attend chapel or other religious service?  
 NO  
 YES

Please explain if you have answered "YES" to any of the foregoing seven questions.

## 26. Teaching and Admission Standards

- A. 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?  
 NO  
 YES
- B. 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?  
 NO

YES

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

NO

YES

Please explain if you have answered “NO” to any of the foregoing three questions.

**27. No Discriminatory Practices**

A. 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?

NO

YES

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

NO

YES

C. 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?

NO

YES

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.

attached as Exhibit – (A) & (C) See audited financial statements footnote 18, p.32, (B) See 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.

attached as Exhibit – See audited financial statements footnote 18, p.33

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.

attached as Exhibit – See audited financial statements footnote 7, p.23

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.

attached as Exhibit – See Exhibit 2

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 – See Exhibit 3

Website address: \_\_\_\_\_

Current operating budget.

attached as Exhibit – See Exhibit 4

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 \_\_\_\_\_

Website address: <https://www.csbsju.edu/academics/2019-2020-catalog>

Current faculty handbook. 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 \_\_\_\_\_

Website address: <https://www.csbsju.edu/academic-affairs/faculty-resources/faculty-handbook>

List of current board members and officers.

attached as Exhibit – See Exhibit 5

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.

attached as Exhibit – See Exhibit 6

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”.

attached as Exhibit – See Exhibit 7

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 – See Exhibit 8

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.

attached as Exhibit – See 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.

attached as Exhibit – See 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 \_\_\_\_\_

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 \_\_\_\_\_
- 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 – See 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 \_\_\_\_\_
- 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 not Authority bonds**

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 \_\_\_\_\_

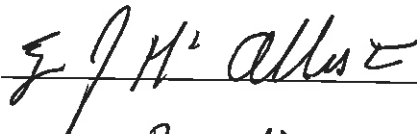
Copy of current appraisal of capital project originally financed by the debt (that is not Authority bonds) to be refinanced prepared by an appraiser with the MAI designation or the equivalent.

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.

Signature 

Title Interim President  
(Chief executive officer)

And Signature 

Title V.P. for Finance & Administration  
(Chief financial officer)

Date of this Application 10-31-2019

### DELIVERY INSTRUCTIONS

- Signed Application, together with exhibits, for the Authority
  - Email to [bwf@mnhefa.org](mailto:bwf@mnhefa.org) (cc: [agl@mnhefa.org](mailto:agl@mnhefa.org))
  - Signed Application, together with exhibits, will be forwarded by the Authority to the Bond Counsel to be appointed by the Attorney General's Office and the Financial Advisor.
- \$1,000 Application Fee
  - Checks should be made payable to: Minnesota Higher Education Facilities Authority
  - Mail or Deliver check to:  
Barry W. Fick, Executive Director  
Minnesota Higher Education Facilities Authority  
380 Jackson Street  
Suite 450  
Saint Paul, MN 55101  
Phone: (651) 296-4690
  - Please contact the authority for wire transfer information if preferred

**Attachment A**

**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:

Construction of a new junior/senior 120 bed residence facility within lower campus, renovations and upgrades to Peter Engel Science Center, Renovation of first floor Wimmer Hall

(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 \$25Million (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 4.5%.

Adopted on 11/16/2019

**Attachment B**

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

## Attachment D

### 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.

April 21, 2021

Mr. Barry W. Fick, Executive Director  
Mr. Michael D. Ranum, Chairman of the Board  
Minnesota Higher Education Facilities Authority  
380 Jackson Street, Suite 450  
Saint Paul, MN 55101

Re: Application of Saint John's University Revenue Bonds, Series 2021 (the "Bonds")

Dear Mr. Fick and Chairman Ranum:

We received and reviewed the Application of Saint John's University (the "University") for financing assistance from the Minnesota Higher Education Facilities Authority (the "Authority"). The purpose of the Application is to loan the University the funds to finance the construction, equipping and furnishing of a new student residence hall and related improvements on the University's lower campus and demolition of the University's current Seton Residence Hall, along with renovation of and upgrades to the Peter Engel Science Center, renovation of two floors of Wimmer Hall, construction of a pedestrian bridge across Stumpf Lake, and funding of capital improvements to various student spaces, all located on the University campus (the "Project").

Based on our review and analysis of the Application and material provided to us by the University, it is our opinion that borrowing for the University's purposes in the requested amount that provides adequate security based on current market requirements can be structured and successfully marketed. The University seeks to complete this financing prior to July 1, 2021.

### The Financing

The University seeks financing in an amount of approximately \$25,000,000 for Project construction costs and to pay costs of issuance with the proceeds of the debt financing.

Consistent with the most recent University debt financing in 2017, no debt service reserve or financial covenants are expected for this borrowing.

The Project includes the construction of a 96-bed residence hall for juniors and seniors and demolition of the University's current Seton Residence Hall. The cost of the new 96-bed townhouse style student residence facility is estimated at \$12,000,000, with construction scheduled to begin in May of 2021 and completion anticipated in August of 2022. The Project also includes the renovation of and upgrades to the Peter Engel Science Center, which began construction in May of 2019. This portion of the Project is estimated to be \$5,200,000 and its clean up scheduled for completion in summer 2021. In addition, the Project consists of the renovation of the first and third floor of Wimmer Hall, which will commence work in May of 2021 with an estimated completion date in August of 2022, for an approximate



cost of \$3,200,000. The Project will additionally include the construction of a pedestrian bridge connecting the upper and lower portions of the University campus across Stumpf Lake. The total cost of the pedestrian bridge is estimated to be \$1,500,000 and construction will commence in May of 2021 with an estimated completion date of August 2022. The University also plans to include up to \$3,100,000 in capital improvements and renovations in the Project, including a student center (Sexton Commons) and student residence facilities (Saint Thomas Aquinas Hall and Saint Mary Hall) from May of 2022 through August of 2022.

The University will use tax-exempt bonds issued by the Minnesota Higher Education Facilities Authority (the "Authority") for this financing. When issued, the debt would be designated as the Authority's Revenue Bonds, Series 2021 (Saint John's University).

### Estimated Sources and Uses of Funds

The University Trustees have approved a bond issuance of up to \$25,000,000 for Project costs. This amount may be adjusted to provide for such additional amounts necessary to fund costs of issuance, and if required, any net original issue discount, credit enhancement and a debt service reserve fund. The issue size may also be adjusted to reflect any net original issue premium. The current estimate for Project costs is \$25,000,000. As such, the pro forma debt information contained herein assumes a \$25,000,000 deposit to the construction fund.

Based on preliminary discussions with the Authority and the University a preliminary estimate of the Sources and Uses for the Bonds based on current market conditions are as follows:

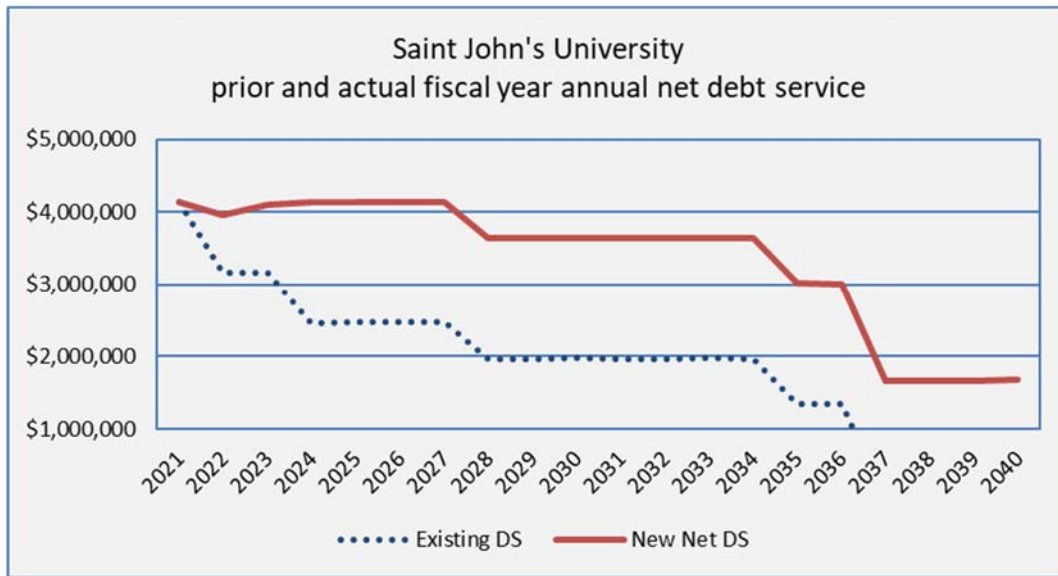
<b>Sources Of Funds</b>	
Par Amount of Bonds.....	\$20,980,000.00
Estimated Reoffering Premium.....	4,226,051.75
<b>Total Sources.....</b>	<b>\$25,206,051.75</b>
<b>Uses Of Funds</b>	
Deposit to Project Fund.....	\$25,000,000.00
Costs of Issuance.....	120,000.00
Total Underwriter's Discount (0.390%).....	81,822.00
Rounding Amount.....	4,229.75
<b>Total Uses.....</b>	<b>\$25,206,051.75</b>

The preliminary debt structure assumes level annual debt service payments upon principal amortization beginning October 1, 2023. All preliminary structures and values related to the Bonds used in this Application Review analysis is based on a 20-year repayment structure.

The par amount of the Bonds is estimated to be \$20,980,000. The projected amount is based on market conditions prevailing on April 2, 2021 and projects that the Bonds' pricing will result in a certain amount of original issue premium. The final issue size will be adjusted based on market conditions and sale results to provide sufficient proceeds to finance the Project and issuance costs. The components of the Bonds are detailed above in the "Estimated Sources and Uses of Funds" section.

### Debt Service

Based on a preliminary debt service schedule, the first interest payment on the Bonds is scheduled for October 1, 2021. Principal payments will be scheduled to begin October 1, 2023. A pictorial representation of the University's existing debt service and projected future debt service is shown in the graph below:



After the current financing, the University's annual debt service is expected to be approximately \$4.1M in FY23 – FY27; \$3.6M in FY28 – FY34, with further reductions in future years, absent additional debt issues in the future.

### Outstanding Debt

The University has the following debt outstanding as of May 1, 2021:

Issue	Fixed Rate
Series Eight-H	\$ 5,375,000
Series Eight-I	13,380,000
Series 2017	<u>6,480,000</u>
Total	\$25,235,000

### Additional Debt

The University is subject to three debt covenants under the Loan Agreements for the Series Eight-H Bonds and the Series Eight-I Bonds. The first covenant states that a Revenue/Expenditure Test must be met in at least 2 of the preceding three years. The measurement for this test is that the adjusted increase in Unrestricted Net Assets may not be less than zero. The second covenant states that the Funded Debt Ratio will be not less than 50%. The Funded

Debt Ratio means the ratio of Unrestricted Liquid Funds divided by the principal amount of outstanding Funded Debt may not be less than 50%. The third covenant is a restriction on issuing additional Funded Debt (defined as debt with a maturity of more than two years). This covenant requires that Net Income Available for Debt Service for the most recent complete Fiscal Year for which audited financial statements are available must be at least 120% of Maximum Annual Debt Service (MADS) for both outstanding Funded Debt and the proposed additional debt.

Baker Tilly has independently prepared calculations of the University's coverage pursuant to the Loan Agreements and has found that the University passes the coverage test.

### Method of Sale -- Negotiated Sale

The Authority expects to issue fixed-rate tax exempt bonds to finance the Project. The Bonds will be sold as a public offering, using a negotiated sale process. RBC Capital Markets ("RBC") has been selected to underwrite the issue. Proceeds of the Bonds will be loaned to the University to finance Project costs and costs of issue.

The Bond Financing schedule anticipates pricing of the Bonds in the third week of May 2021. This date is subject to change based on market conditions and completion of the documentation process. Settlement of the Bonds is anticipated to in early June 2021.

### Rating

The outstanding debt of the University is rated by Moody's Investors Service ("Moody's") and has been assigned a credit rating of A2 with a stable outlook. The rating was most recently affirmed on September 25, 2020. Moody's was aware of this financing and noted in the report that "The university is contemplating a modest amount of new debt, which as currently discussed, would not materially alter its low leverage profile."

The University has engaged Moody's to assign a rating to the Bonds. Publication of the rating is expected in later April or early May of 2021. This schedule will allow the Moody's assigned rating to be included in the Official Statement distributed to investors prior to the sale of the Bonds.

### Security for the Bonds

It is anticipated that a general pledge of the University's revenues will secure the Bonds. The Bonds are not expected to impose any additional financial covenants on the University. The University is in full compliance with the financial covenants applicable to outstanding University debt. The University is not subject to having a debt service reserve on its outstanding bonds and it is not expected that the Bonds will not require a debt service reserve fund.

Consistent with the terms of the most recent 2017 bond issue for the University and current market conditions, the Bonds are not expected to include a debt service reserve fund or be subject to financial covenants. Current market conditions are such that investors are accepting of similarly rated revenue bonds at favorable rates without a debt

service reserve fund or financial covenants. The finance team will continue to monitor market conditions and investor demand to the Bond pricing date to determine if any additional covenants or a debt service reserve will be needed to successfully market the bonds.

## Financial Statements

As a result of Financial Accounting Standards Board ("FASB") mandated presentation changes, the format of the University's Statement of Activities differs from prior years. In fiscal year 2019, the University adopted FASB Accounting Standards Update ("ASU") No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities.

ASU No. 2016-14 addresses the complexity and understandability of net asset classifications, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The unrestricted net assets class has been renamed net assets without donor restrictions. The temporarily and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.

The following table illustrates the University's Total Net Assets, Net Assets Without Donor Restrictions, Total Donor-Restricted Net Assets, and Total Assets with Donor Restrictions as reported in the University's audited financial statements for FY16 – FY20:

	2016	2017	2018	2019	2020	5 years
Total Net Assets	\$313,279,374	\$344,026,829	\$365,146,790	\$378,624,206	\$376,351,696	
Change (\$)	—	30,747,455	21,119,961	13,477,416	(2,272,510)	63,072,322
Change (%)	—	9.81%	6.14%	3.69%	-0.60%	20.13%
Net Assets Without Donor Restrictions	176,325,997	195,309,459	206,442,441	216,678,525	214,722,966	
Change (\$)	—	18,983,462	11,132,982	10,236,084	(1,955,559)	38,396,969
Change (%)	—	10.77%	5.70%	4.96%	-0.90%	21.78%
Total Donor-Restricted Net Assets						
Not Invested in Perpetuity	57,734,882	64,089,868	68,116,382	71,682,467	68,261,293	
Change (\$)	—	6,354,986	4,026,514	3,566,085	(3,421,174)	10,526,411
Change (%)	—	11.01%	6.28%	5.24%	-4.77%	18.23%
Total Assets with Donor Restrictions	79,218,495	84,627,502	90,587,967	90,263,214	93,367,437	
Change (\$)	—	5,409,007	5,960,465	(324,753)	3,104,223	14,148,942
Change (%)	—	6.83%	7.04%	-0.36%	3.44%	17.86%

The University's operational financial results over the past five years have been mostly positive, with a slight decrease in Total Net Assets in 2020. Total Net Assets and Net Assets Without Donor Restrictions have grown by 20.13% and 21.78% respectively in the last five years. Representatives of the University will participate in the Authority meeting to provide information on financial performance, including the effect of COVID-19 on the University and respond to questions.

## Enrollment

The following table shows the University's actual head count enrollment and full-time equivalent fall enrollment for the past five years (as of the fall semester for each year):

	2015/16	2016/17	2017/18	2018/19	2019/20	5 years
<b>Total Student</b>						
Headcount	1,869	1,849	1,815	1,777	1,727	
Change (#)	—	(20)	(34)	(38)	(50)	(142)
Change (%)	—	-1.07%	-1.84%	-2.09%	-2.81%	-7.60%
FTE	1,804	1,808	1,779	1,726	1,679	
Change (#)	—	4	(29)	(53)	(47)	(125)
Change (%)	—	0.22%	-1.60%	-2.98%	-2.72%	-6.93%

The University has had declining enrollments both in total and undergraduate enrollments over the past five years. Representatives of the University will participate in the Authority meeting to provide information on enrollment and respond to questions.

## Financial Schedules A – D

In order to assist the Board in evaluating the financial aspects of this application, we have prepared a number of schedules showing preliminary estimates of financial information associated with this proposed financing. These schedules follow this Application Review Letter. Each of the schedules is also briefly discussed below.

Schedules A – C provide information concerning the financial performance of the University for the fiscal year of the University's most recent completed (audited) financial statements of June 30, 2020.

Schedule A includes several relevant financial indicators designed to provide information about the financial performance of the University. These indicators are drawn from the most current version of Moody's analytics relating to the University which are further based on the University's financial statements and from supplemental information the University provides to Moody's on a regular basis. Data relating to 'A2' rated schools generally are drawn from Moody's Medians for private colleges and universities.

Schedule B shows the University's Statements of Financial Position. This schedule presents information about the University's Assets, Liabilities, and Net Assets. The information included on this schedule is taken from the University's audited financial statements.

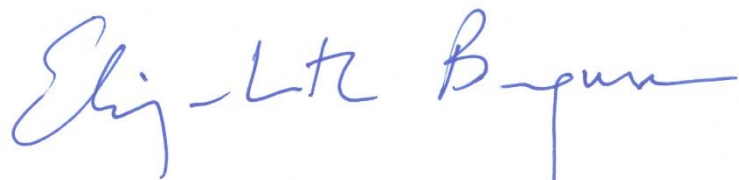
Schedule C shows the University's Statement of Activities. This schedule presents information about the University's Revenues and Expenses. The information included on this schedule is taken from the University's audited financial statements. Due to the University adoption of FASB ASU No. 2016-14, presentation differs from prior years.

Schedule D shows the University's existing and projected total debt service, including the Bonds.

Minnesota Higher Education Facilities Authority  
Application for Financing from  
Saint John's University  
Date: April 21, 2021  
Page: 7

A representative of Baker Tilly will be present at the Authority's meeting on April 21, 2021 to discuss the application of the Saint John's University, our review of the application, and to respond to any questions you or the Authority Board members may have.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Elizabeth Bergman". The signature is fluid and cursive, with the first name "Elizabeth" written in a large, flowing script, followed by "Bergman" in a slightly smaller but similar style.

Baker Tilly Municipal Advisors LLC by  
Elizabeth Bergman, Director

Enclosures:

cc: Mr. Richard Adamson, w/enclosures

**SCHEDULE A**  
**Key Moody's Rating Ratios**

Minnesota Higher Education Facilities Authority  
Saint John's University  
Collegeville, Minnesota

*Schedule A*

	Moody's A		
	Based on FY 2019*	Saint John's	
	FY 2019*	FY 2019	FY 2020
Financial Leverage (Spendable Cash & Investments to Total Debt) (x)	1.93	5.49	5.89
Operating Reserve (Spendable Cash & Investments to Operating Expenses) (x)	1.35	2.28	2.29
Operating Margin (%)	3.6	9.5	2.0
Reputation and Pricing Power (Annual Change in Operating Revenue) (%)	3.8	4.8	(11.1)
Operating Cash Flow Margin (%)	14.2	18.0	11.3
Annual Debt Service Coverage (x)	2.93	3.43	1.94
MADS Coverage (x)	2.39		1.94
Three-Year Average Debt Service Coverage (x)	2.77	2.90	2.50
Debt Affordability (Total Debt to Cash Flow) (x)	5.14	2.09	3.38
Revenue Diversity (Max Single Contribution) (%) [Tuition and Auxiliaries]	77.4	67.2	67.6
Monthly Liquidity (\$000)	175,531	102,446	100,721
Monthly Days Cash on Hand (x)	350.0	536.4	548.9
Monthly Liquidity to Demand Debt (%)	591.1	N/A	N/A
With new debt included			N/A
Net Tuition per Student (\$)	25,934	20,395	20,077
Total Tuition Discount (%)	38.4	53.8	55.4
Primary Market Selectivity (%)	58.3	78.3	81.4
Primary Market Matriculation (%)	20.4	30.3	31.9

\*2020 medians are not yet available.

## SCHEDULE B

### SAINT JOHN'S UNIVERSITY STATEMENTS OF FINANCIAL POSITION YEARS ENDED JUNE 30,

	2020	2019
<b>ASSETS</b>		
<b>ASSETS</b>		
Cash and cash equivalents	\$ 11,323,578	\$ 12,545,777
Student receivables, net	338,970	492,558
Contributions receivable, net	7,309,515	8,742,684
Unitrust, interest, and other receivables	2,916,773	3,074,342
Inventories and prepaid expenses	7,180,345	7,150,016
Student loans receivable, net	1,598,404	2,013,540
Investments	244,891,679	245,601,786
Property, plant, and equipment, net	149,032,584	149,002,180
Total Assets	\$ 424,591,848	\$ 428,622,883
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	8,303,955	5,602,697
Deferred revenue	784,665	1,496,231
Funds held for others	313,586	239,763
Other liabilities	1,676,307	1,724,165
Annuities and unitrusts payable	5,223,963	5,349,818
Notes and bonds payable	29,876,143	33,258,815
Government grants repayable - Federal Perkins loan program	2,061,533	2,327,188
Total Liabilities	48,240,152	49,998,677
<b>NET ASSETS</b>		
Without Donor Restriction:		
Reserves, program funds, and undesignated	29,835,027	33,421,594
Board designated endowment	63,096,217	64,958,058
Investment in property, plant and	118,398,637	114,822,470
Annuities	3,307,307	3,326,686
Contributions receivable	85,778	149,717
Total Without Donor Restriction	214,722,966	216,678,525
With Donor Restriction:		
Purpose and time restrictions	7,172,943	5,022,248
Endowment	142,901,115	143,779,589
Unitrusts and life insurance	433,093	4,550,878
Contributions receivable	722,373	8,592,966
Total With Donor Restriction	161,628,730	161,945,681
Total Net Assets	376,351,696	378,624,206
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 424,591,848</b>	<b>\$ 428,622,883</b>

*Source: audited financial statements of the University.*



**SCHEDULE C**  
**SAINT JOHN'S UNIVERSITY**  
**STATEMENT OF ACTIVITIES**  
**YEARS ENDED JUNE 30,**

	<u>2020</u>			<u>2019</u>		
	Without Donor Restriction 2020	With Donor Restriction 2020	Total 2020	Without Donor Restriction 2019	With Donor Restriction 2019	Total 2019
	<b>OPERATING ACTIVITIES</b>					
<b>OPERATING REVENUES</b>						
Tuition and fees	\$ 75,641,035	\$ -	\$ 75,641,035	\$ 76,156,722	\$ -	\$ 76,156,722
Funded scholarships and grants - restricted funds	(7,894,171)	-	(7,894,171)	(4,312,449)	-	(4,312,449)
Less: Funded scholarships and grants - quasi-endowments	(1,308,718)	-	(1,308,718)	(1,235,324)	-	(1,235,324)
Less: Unfunded scholarships and grants	(32,709,259)	-	(32,709,259)	(35,406,899)	-	(35,406,899)
Net tuition and fees	33,728,887	-	33,728,887	35,202,050	-	35,202,050
Government grants:						
Federal grants	638,739	1,334,265	1,973,004	638,724	296,847	935,571
State grants	185,437	96,733	282,170	279,401	1,078,545	1,357,946
Private gifts and grants	4,911,346	5,251,863	10,163,209	8,258,874	2,377,088	10,635,962
Other investment income	283,315	3,793	287,108	326,378	6,753	333,131
Investment return allocated for operations (draw)	8,971,928	148,638	9,120,566	7,838,650	175,805	8,014,455
Other sources	1,904,160	-	1,904,160	2,739,613	-	2,739,613
Sales and services of auxiliary enterprises:						
Residence halls	6,354,023	-	6,354,023	8,304,732	-	8,304,732
Food services	6,970,886	-	6,970,886	9,092,034	-	9,092,034
Other auxiliaries	3,071,542	-	3,071,542	3,389,187	-	3,389,187
	67,020,263	6,835,292	73,855,555	76,069,643	3,935,038	80,004,681
Net assets released from restrictions	4,491,982	(4,491,982)	-	4,641,713	(4,641,713)	-
Total Operating Revenues, Gains and Other Support	71,512,245	2,343,310	73,855,555	80,711,356	(706,675)	80,004,681
<b>OPERATING EXPENSES</b>						
Program expenses						
Instruction	24,802,215	-	24,802,215	26,302,294	-	26,302,294
Academic support	8,934,671	-	8,934,671	10,270,128	-	10,270,128
Student services	10,316,099	-	10,316,099	10,429,703	-	10,429,703
Auxiliary enterprises						
Residence halls	4,011,508	-	4,011,508	4,220,819	-	4,220,819
Food services	6,494,758	-	6,494,758	7,535,319	-	7,535,319
Other auxiliaries	2,885,621	-	2,885,621	3,034,158	-	3,034,158
Support expenses						
Institutional support	12,717,908	-	12,717,908	11,125,449	-	11,125,449
Other	2,439,950	-	2,439,950	2,467,694	-	2,467,694
Total Operating Expenses	72,602,730	-	72,602,730	75,385,564	-	75,385,564
Increase (Decrease) in Net Assets from Operating Activities	(1,090,485)	2,343,310	1,252,825	5,325,792	(706,675)	4,619,117
<b>NONOPERATING ACTIVITIES</b>						
Long-term investment activities						
Endowment income	1,024,005	1,395,506	2,419,511	6,292,929	9,734,453	16,027,382
Less: investment return allocated for operations (draw)	(3,327,954)	(5,792,612)	(9,120,566)	(2,570,394)	(5,444,061)	(8,014,455)
	(2,303,949)	(4,397,106)	(6,701,055)	3,722,535	4,290,392	8,012,927
Private gifts and grants	12,406	4,914,585	4,926,991	34,595	4,936,183	4,970,778
Other investment income	239	(14,152)	(13,913)	2,347	41,772	44,119
Change in contributions	(63,939)	(1,369,233)	(1,433,172)	(107,321)	(4,482,619)	(4,589,940)
Annuity and unitrust net gifts	68,371	-	68,371	124,168	-	124,168
Adjustment of actuarial liability	(174,625)	(197,932)	(372,557)	(603,211)	899,458	296,247
Gain (Loss) on extinguishment of debt	-	-	-	-	-	-
Reclassification of net assets	441	(441)	-	39,640	(39,640)	-
	(157,107)	3,332,827	3,175,720	(509,782)	1,355,154	845,372
Net assets released from restrictions	1,595,982	(1,595,982)	-	1,697,539	(1,697,539)	-
	1,438,875	1,736,845	3,175,720	1,187,757	(342,385)	845,372
Increase (Decrease) in Net Assets from Nonoperating Activities	(865,074)	(2,660,261)	(3,525,335)	4,910,292	3,948,007	8,858,299
Increase (Decrease) in Net Assets	(1,955,559)	(316,951)	(2,272,510)	10,236,084	3,241,332	13,477,416
Net Assets - Beginning of Year	216,678,525	161,945,681	378,624,206	206,442,441	158,704,349	365,146,790
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 214,722,966</b>	<b>\$ 161,628,730</b>	<b>\$ 376,351,696</b>	<b>\$ 216,678,525</b>	<b>\$ 161,945,681</b>	<b>\$ 378,624,206</b>

Source: audited financial statements of the University.

SCHEDULE D  
Existing and Projected Total Debt Service

	Existing FY Debt Service	Estimated MnHEFA 2021 Debt Service	New Total Net DS	Difference
2021	4,139,013	0	4,139,013	-
2022	3,160,263	791,899	3,952,161	791,899
2023	3,164,038	934,700	4,098,738	934,700
2024	2,463,788	1,670,825	4,134,613	1,670,825
2025	2,468,163	1,672,075	4,140,238	1,672,075
2026	2,471,413	1,671,325	4,142,738	1,671,325
2027	2,470,163	1,668,575	4,138,738	1,668,575
2028	1,966,863	1,668,700	3,635,563	1,668,700
2029	1,969,678	1,671,450	3,641,128	1,671,450
2030	1,976,731	1,671,700	3,648,431	1,671,700
2031	1,970,584	1,669,450	3,640,034	1,669,450
2032	1,965,925	1,669,575	3,635,500	1,669,575
2033	1,977,400	1,671,825	3,649,225	1,671,825
2034	1,970,400	1,667,500	3,637,900	1,667,500
2035	1,344,475	1,672,000	3,016,475	1,672,000
2036	1,343,925	1,669,400	3,013,325	1,669,400
2037	-	1,669,700	1,669,700	1,669,700
2038	-	1,667,800	1,667,800	1,667,800
2039	-	1,668,600	1,668,600	1,668,600
2040	-	1,671,900	1,671,900	1,671,900
2041	-	1,667,700	1,667,700	1,667,700
<b>Total:</b>	<b>36,822,819</b>	<b>31,786,699</b>	<b>61,933,517</b>	<b>25,110,699</b>

## MEMORANDUM

**TO:** Barry W. Fick  
Minnesota Higher Education Facilities Authority

**FROM:** Fryberger, Buchanan, Smith & Frederick, P.A.

**DATE:** April 12, 2021

**RE:** Application of Saint John's University for MHEFA Financing

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We have reviewed the Application of Saint John's University (the "University"), dated March 5, 2021, and found it to be complete and satisfactory from a legal standpoint, subject to the following:

1. Purpose. The Application relates to financing the costs of (i) the acquisition, construction and equipping of a new 96-bed townhouse style student residence facility; (ii) renovation and upgrades to Peter Engel Science Center; (iii) renovation of the first floor and third floor of Wimmer Hall; (iv) construction of a pedestrian bridge connecting the lower campus and upper campus; and (v) capital improvement and renovation projects, including a student center (Sexton Commons) and student residence facilities (Saint Thomas Aquinas Hall and Saint Mary Hall) (collectively, the "Project"). (The project facilities described in the Project are collectively referred to as the "Project Facilities.") The Project Facilities are owned or leased and operated by the University and located on the Institution's main campus in Collegeville, Minnesota.

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

A. Evidence of Title. No title insurance commitment or title opinion was provided. The University should provide recent title evidence in the form of a title commitment or attorney's title opinion prior to the bond closing, showing that the University has title (or other suitable interest) in the land and/or the buildings necessary for the Project and the Project Facilities. We will confer with the University and its counsel to confirm that the University has an adequate interest by virtue of leases in the sites of the Project and in portions of the Project Facilities owned by the Order of Saint Benedict.

B. Architect's Certifications. A general architect's certification is provided, but an architect's certification needs to be provided as to the estimated cost of each element of the Project. The University will need to provide such certifications to properly size the revenue obligations.

C. Building Permits and Other Governmental Approvals. The University has indicated in the Application that no zoning change is needed for the Project. The University does not anticipate any environmental issues for the Project. We will confer with the University and its counsel to confirm that required governmental approvals for the Project

are obtained, including a DNR permit for the pedestrian bridge and a setback variance from the water for the new residence facility.

D. Financial Covenants. The Authority's Series Eight-H Bonds and Series Eight-I Bonds contain financial covenant tests regarding the University's authority to incur additional funded debt which must be reviewed taking into account the debt service schedule for the proposed revenue obligations. Prior to issuance of the proposed revenue obligations, the University and its accountants and counsel should examine the financial covenants and the proposed debt service on the proposed revenue obligations to demonstrate compliance with such covenants.

E. Approvals Needed for Proposed Revenue Obligations. Section 2.06(c) of the Bylaws of the University provide the University may not, without written approval of the Class A Members of the University, incur long-term debt in an amount which exceeds canonical limits, such amount to be established in the sole determination of the Class A Members. The University must provide written evidence to satisfy such condition prior to issuance of the revenue obligations, as well as approval by the Board of Trustees of the loan documents.

3. \$150 Million Limit on Tax-Exempt Non-Hospital Bonds Under Section 145(b) of Internal Revenue Code. The University has stated in the Application that the University receives support from the Order of Saint Benedict. Further, the Bylaws of the University provide that the Class A Members of the University (which are hereinafter described), has the power to remove all of the members of the Board of Trustees as a group and name successor trustees, that the University may not sell, lease or encumber real property of the University without the consent of the Class A Members and that the University may not incur long-term debt in an amount which, in the sole determination of the Class A Members, exceeds canonical limits. The Class A Members consist of five monks of Saint John's Abbey, which is a division of the Order of Saint Benedict. In addition, 2020 correspondence from the Internal Revenue Service indicates that the University derives its 501(c)(3) status from inclusion in *The Official Catholic Directory* which lists the organizations supervised, operated or controlled by the Roman Catholic Church.

The 1997 amendment to Section 145(b) excludes from the \$150 million limit tax-exempt non-hospital 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 revenue obligations will not be used to refinance capital expenditures originally incurred before August 5, 1997. The proposed revenue obligations will therefore not be subject to the \$150 million aggregate limit by operation of the amendment.

These facts would be significant because Internal Revenue Code Section 145(b) limits the aggregate amount of outstanding qualified 501(c)(3) non-hospital bonds from which any 501(c)(3) organization may benefit to \$150 million. For purposes of this rule, two or more organizations under common management or control are treated as one organization. The University should verify that this limitation has not been exceeded. We should therefore be furnished with a schedule of outstanding tax-exempt debt of the University and any other organization controlling, controlled by or under common control with the University, such as the Order of Saint Benedict.

4. Establishment of Religion Concerns. The University derives its 501(c)(3) status from its listing in *The Official Catholic Directory* – in effect, the University falls within the “group exemption” of the Roman Catholic Church. Further, as set out in paragraph 3, the University is closely tied with Saint John’s Abbey and the Order of Saint Benedict.

An Establishment of Religion issue is presented by the fact that the School of Theology, in addition to the general undergraduate program, is operated under the auspices of the University. The graduate level curriculum of the School of Theology has a vocational focus as well as an academic one. Some graduates are prepared for pastoral or rural ministry as well as monastic studies. However, in connection with prior Applications, the Authority’s prior bond counsel concluded that the School of Theology program is separable from the general undergraduate program for purposes of the First Amendment inquiry and that aid which is directed toward the undergraduate program does not violate the prohibition on aid which has a primary effect of advancing or inhibiting religion.

Under the tests established in Tilton v. Richardson, 403 U.S. 672 (1970), Hunt v. McNair, 413 U.S. 734 (1973), and Roemer v. Board of Public Works in Maryland, 426 U.S. 736 (1976), and applied in Minnesota Higher Education Facilities Authority v. Hawk, 305 Minn. 97, 232 N.W. 2d 106 (1975), there is serious doubt that a loan from the Authority to the University to finance improvements for the use of the School of Theology would be constitutionally permitted, even if Section 136A.28, Subdivision 3, did not specifically exclude facilities used for sectarian purposes or religious worship from permissible projects to be financed. In order to finance any project at the University, the Authority must be satisfied that the remainder of the University, other than the School of Theology, continues to be non-sectarian. The University should confirm that none of the Project Facilities to be financed with the proposed revenue obligations, is or will be used primarily by employees, students or faculty of the School of Theology. The bond documents should include provisions to the effect that no bond proceeds shall be expended for facilities to be used primarily by the School of Theology.

The Application materials contain a number of statements and other items in support of a conclusion that the University is not a “sectarian” institution for the purposes of applying Establishment of Religion clause limitations. In particular, the relevant organizational documents, general statements contained in official University publications, admissions standards, and faculty hiring and tenure requirements support the conclusion that the University does in fact follow academic freedom in the classroom and non-discrimination practices in faculty and student recruitment, retention and promotion. Under the Supreme Court’s guidelines as established by the relevant decisions, the focus on actual practices is as important as the focus on institutional documents. Therefore, the members of the Authority should be satisfied that the University does in fact follow academic freedom in the classroom and non-discrimination practices in faculty and student recruitment, retention and promotion.

It should also be noted that, while the Application contains several responses to various questions relating to religious matters, supporting materials to the Application adequately explain such responses.

On these facts, and under existing judicial interpretation of the Establishment of Religion Clause, we conclude that Authority financing of the Project proposed by the University will not violate Establishment of Religion clause limitations.

We note that recent United States Supreme Court decisions in this area, while not directly on point, appear to broaden the permitted scope of public assistance to religious-affiliated educational institutions. Financing such as that provided by the Authority falls well within the permitted limits.

5. Rebate, Two-Year, 18-Month and Six-Month Spend-Down Exceptions. The requirements to pay arbitrage rebate for the proposed revenue obligations have three exceptions which are related to the speed in which the proceeds of the proposed revenue obligations are spent.

The exceptions potentially available for the Project are the 18-month exception and the 24-month exception. Under the 24-month exception, the proceeds of the revenue obligations must be expended within 24 months as determined at the time of closing. The cost of equipment included for the Project may not exceed 25% of the proceeds. If equipment will constitute more than 25% of the proceeds (and if the six or 18-month exceptions are not applicable), another category of proceeds can be established which should include proceeds to be spent on equipment within six months of the closing date. Depending on the draw schedule for the Project, the 18-month exception may also be available.

Bond counsel and the municipal advisor will work with the University regarding the timing of the proposed revenue obligations and the construction schedules for each element of the Project to determine which exception, if any, will be possible.

You should note that the proposed revenue obligations are not expected to be secured by a reserve fund, but if a reserve fund is required, such reserve fund will be subject to rebate.

The following is a summary of each exception:

a. The Revenue Reconciliation Act of 1989 (the “1989 Act”), as amended by a technical corrections act in 1990, created a two-year exception (the “two year spend-down 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 and costs of equipment depreciated over a period of a year. 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 six months, 45% within one year, 75% within 18 months, and 95% to 100% within two years with an extension to three years for up to five percent retained from contractors. For the purposes of the proposed revenue obligations, “available construction proceeds” which must be spent on schedule generally includes investment earnings, but excludes the 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 revenue obligations or, if the University so elects, must be rebated. Rebate would still be payable on reserve fund investment (to the extent the yield of the investments exceeds the bond yield) after the construction period, but the two year spend-down exception offers potential significant savings.

b. The 1989 Act also created an exception for proceeds (whether for refunding, equipment or construction) which is spent in six months.

c. Under Treasury Department Regulations, a third exception was created for proceeds, including reasonably expected investment earnings as determined at closing, which are spent within 18 months (six 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 construction purposes.

6. Reimbursement Regulations. The University has indicated in its Application that the work on the Peter Engel Science Center portion of the Project began in June 2019; consequently, the proposed revenue obligations will be issued after the start of construction. The Internal Revenue Service has adopted regulations providing rules for determining when an issuer may use bond proceeds to reimburse expenditures made before the revenue obligations are issued. The University can be reimbursed for expenditures paid for the Project (as opposed to incurred but not paid) up to 60 days prior to the bond closing, or an earlier declaration of official intent, if applicable. The reimbursement resolution attached to the Application provides a declaration of official intent and was adopted on November 16, 2018. In addition, the University may be reimbursed for certain preliminary expenditures and amounts considered to be de minimis. We will work with the University to identify reimbursable costs and to protect the University's ability to finance expenditures made before the revenue obligations are issued.

The University 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 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 is in operation at such level. The University should expect to be reimbursed from bond proceeds shortly after the closing.

7. Construction Contract. At the time of bond closing, the University must be in a position to commit to construct the Project and to provide a reliable cost estimate or a fixed price or guaranteed maximum price contracts. The Application does not mention the status of the construction contracts for most of the elements of the Project.

8. Use of Project Facilities by Business Enterprises. If the University has or will have a contract with a for-profit private enterprise to provide services in any of the financed facilities, we will need to review the use and/or contract to ensure compliance with guidelines relating to private use established in the Internal Revenue Code and related regulations and in Revenue Procedures 2001-39, 2007-47 and 2016-44 (together, "Private Use Rules"). The University has not

described any such activity to be carried on in a financed facility, but we think some further inquiry would be prudent to determine whether there is any “private use.” Discovery of “private use” may necessitate that the University 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 five percent 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 University. Even if a service or other management contract, or use of parking or other proposed facilities, does not generate unrelated business income for the University, such agreements may constitute “use” of facilities of the University 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 two percent payable from bond proceeds) to be counted against the five percent limit of private use, leaving only three percent 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.

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 “remedial action” under Treasury Regulations Section 1.141-12.

9. Litigation. The University has indicated there is no pending litigation that is uninsured and would have a material adverse financial impact if resolved against the University. If there is any change in the status of these matters, or if other litigation or claims, threatened or pending, should arise prior to closing, the University should promptly notify the Authority, the municipal advisor and bond counsel and provide a description of such litigation.

10. Sinking Fund Proceeds; Replacement Proceeds. The Application states that the funds to pay debt service on the proposed revenue obligations will be derived from the University’s general operations. While this financing structure is similar to other recent Authority financings and does not appear to raise “sinking fund” concerns, it will nonetheless be necessary to analyze whether any “transferred proceeds” from the bonds being refunded or from donations for payment of the revenue obligations are subject to rebate or yield limitations under Section 148 of the Internal Revenue Code.

The notes to the University’s financial statements indicate that the University, as of June 30, 2020, had substantial unrestricted assets, temporarily-restricted assets and 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 purposes for which the bonds were issued (here, the Project) had proceeds of the



revenue obligations 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 revenue obligations, such as restricted gifts or pledges for the Project. 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 University and its counsel to confirm compliance with the replacement proceeds rules including fundraising for the Project and endowment funds.

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RESOLUTION RELATING TO APPLICATION FOR  
SAINT JOHN'S UNIVERSITY

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

1. The Authority acknowledges receipt of the Application of Saint John's University, a Minnesota nonprofit corporation (the "University"), as owner and operator of Saint John's University (the "Institution"), and exhibits thereto, including an Indemnity Agreement and an application fee in the amount of \$1,000 (the "Application"), for a proposal relating to financing the costs of (i) the acquisition, construction and equipping of a new 96-bed townhouse style student residence facility; (ii) renovation and upgrades to Peter Engel Science Center; (iii) renovation of the first floor and third floor of Wimmer Hall; (iv) construction of a pedestrian bridge connecting the lower campus and upper campus; and (v) capital improvement and renovation projects, including a student center (Sexton Commons) and student residence facilities (Saint Thomas Aquinas Hall and Saint Mary Hall) (collectively, the "Projects"). (The project facilities described in the Projects are collectively referred to as the "Project Facilities.") The Project Facilities are owned or leased and operated by the University and located on the Institution's main campus in Collegeville, Minnesota.

2. 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 14 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 and posted at least 14 days prior to the date of the hearing on the Authority's website.

3. As required by Section 147(f) of the Internal Revenue Code, this Authority conducted a public hearing on April 21, 2021, on the proposal to finance the Projects, 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.

4. Officers of the University have presented to this Authority information concerning the Projects, the feasibility of the Projects, the financing schedule for the Projects and responded to other matters concerning the Projects, the University and the Institution.

5. The Executive Director of the Authority, Fryberger, Buchanan, Smith & Frederick, P.A., Bond Counsel, and Baker Tilly Municipal Advisors, LLC, 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.

6. 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 University 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 Sections 136A.25 to 136A.42, Minnesota Statutes, as amended (the "Act").

(b) The Projects as described in the Application are eligible for financing by the Authority and are a “project” under the Act.

(c) The Project Facilities 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) Except for the School of Theology which is separable from the undergraduate programs for which the Project Facilities have been or will be constructed, 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 will be and are available to the students of the Institution without unlawful discrimination in accordance with Minnesota Statutes, Section 363A.13.

(g) Issuance of the revenue obligations 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 Projects and issuance of revenue obligations appear feasible.

7. The Projects and the issuance of revenue obligations of the Authority in the maximum aggregate principal amount of \$25,000,000, are therefore approved, provided that the University 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 obligations and tax status of the interest on the revenue obligations.

8. The Executive Director shall direct Bond Counsel and the Municipal Advisor to the Authority to prepare and submit recommendations as to the terms of financing and the forms of a loan agreement and a trust indenture or a note purchase agreement, bond purchase agreement or a note placement agreement or a similar agreement, a mortgage, if any, an official statement or a private placement memorandum, if any, and related documents and resolutions to the Authority and to the University for consideration and approval.

9. The Authority and the University each respectively reserves its right to terminate the Projects and the financing thereof under the Act as provided in the Indemnity Agreement.

Adopted: April 21, 2021.

MINNESOTA HIGHER EDUCATION  
FACILITIES AUTHORITY

By \_\_\_\_\_  
Michael D. Ranum, Chair

By \_\_\_\_\_  
Gary D. Benson, Secretary

Approved: \_\_\_\_\_  
Governor, State of Minnesota

Date Approved: \_\_\_\_\_

April 4, 2021

Mr. Michael D. Ranum, Chairman of the Board  
Mr. Barry W. Fick, Executive Director  
Members of the Authority  
Minnesota Higher Education Facilities Authority  
380 Jackson Street, Suite 450  
Saint Paul, MN 55101

**Re: Application of Saint John's University Revenue Bonds, Series 2021 (the "Bonds")**

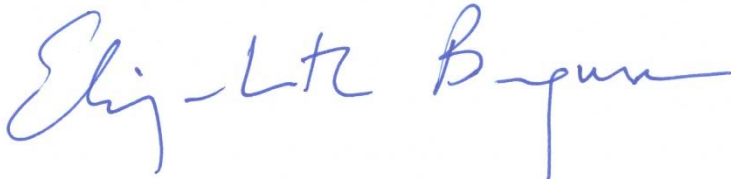
Dear Chairman Ranum, Mr. Fick, and Authority Board Members:

Enclosed is a Preliminary Financing Plan for the Bonds described above for the benefit of Saint John's University (the "University"). The Preliminary Financing Plan represents our recommendations based on the most current discussions with the University, the Authority, and RBC Capital Markets ("RBC"), the underwriter of the Bonds.

We are continuing to work with the University and other finance team members to finalize maturity schedules and make a determination about other parameters for the Bonds. Therefore, the debt service schedules and the Preliminary Financing Plan should be considered as being subject to change.

A Baker Tilly representative will be present at the Authority's meeting on April 21, 2021 to review the Preliminary Financing Plan and respond to questions.

Respectfully submitted,



Baker Tilly Municipal Advisors LLC by,  
Elizabeth Bergman, Director

Enclosures:

cc: Mr. Richard Adamson, w/ enclosures

**PRELIMINARY FINANCING PLAN**  
**MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY**

**\$25,000,000\***  
**REVENUE BONDS, SERIES 2021**  
**(Saint John's University)**  
**April 21, 2021**

This Preliminary Financing Plan represents Baker Tilly Municipal Advisors, LLC's ("Baker Tilly") recommendations based on the most recent discussions with Saint John's University (the "University"), the Minnesota Higher Education Facilities Authority (the "Authority"), and RBC Capital Markets ("RBC"), the Underwriter, for the Revenue Bonds, Series 2021 (the "Bonds"). As of the date of this Preliminary Financing Plan, the University, the Authority and RBC have agreed to the general structure of the financing, although details, such as principal maturity schedules, may be revised. Debt service numbers will be updated and revised prior to pricing to account for changes in market conditions. Accordingly, the structure outlined below is preliminary and subject to revision prior to the sale of the Bonds.

Issuer	Minnesota Higher Education Facilities Authority (the "Authority")
Borrower	Saint John's University (the "University")
Purpose of the Issue	<p>The University will use Bond proceeds to finance:</p> <ol style="list-style-type: none"> <li>1. construction, equipping and furnishing of a new 96-bed townhouse style student residence facility and related improvements on the University's lower campus and demolition of the University's current Seton Residence Hall;</li> <li>2. renovation of and upgrades to the Peter Engel Science Center;</li> <li>3. renovation of the first and third floor of Wimmer Hall;</li> <li>4. construction of a pedestrian bridge across Stumpf Lake connecting the lower campus and upper campus;</li> <li>5. capital improvement and renovation projects, including a student center (Sexton Commons) and student residence facilities (Saint Thomas Aquinas Hall and Saint Mary Hall) (collectively, the "Project"); and</li> <li>6. payment of costs of issuance.</li> </ol>
Issue Size	The Bonds are expected to be sized at approximately \$25,000,000*, sufficient to sufficient to finance the costs of the Project and to pay costs of issuance. The actual size will depend on interest rates at pricing and net premium or discount realized. The projected issue size is less than the not-to-exceed size of \$25 million specified in the Public Hearing Notice.
Costs of Issuance	Costs of issuance (including any underwriter's discount) of up to 2% of the Bond par may be funded with Bond proceeds. Actual costs of issuance are not expected to exceed 2% of the Bond par amount. Should the costs of issuance exceed the 2% limitation, the University will be responsible for funding any excess from its own sources.
Type of Sale and Purchaser	Negotiated sale. The University has selected RBC to act as Underwriter in a negotiated sale of fixed rate tax exempt bonds.
Pricing Date	Expected to occur on or about the third week of May 2021.

\* *Preliminary; subject to change.*

Minnesota Higher Education Facilities Authority  
Revenue Bonds, Series 2021, Saint John's University  
Preliminary Financing Plan  
Dated: April 21, 2021  
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Closing/Delivery Date	Expected to take place in early June 2021.
TIC (True Interest Cost)	The <i>Series Resolution</i> to be considered by the Authority on April 21, 2021, specifies that the true interest cost ("TIC") on the Bonds may not exceed 5.00%. The Bonds' projected TIC is approximately 3.56% as of April 2, 2021. In the event of a Determination of Taxability, additional interest at 2% per annum will accrue from the date of taxability.
Bond Denominations	\$5,000 and integral multiples thereof.
Interest Payments	Semiannually on April 1 and October 1, beginning October 1, 2021.
Principal Payments	Annually beginning on October 1, 2023. Final maturity is on October 1, 2040.
Bond Structure	The Bonds will be fixed rate bonds with annual principal payments beginning October 1, 2023. Debt service on the Bonds is structured for level annual payments with a final maturity of October 1, 2040. Currently the Bonds are structured as serial maturities, but the Underwriter may elect to market the issue with term bonds should market conditions change.
Redemption	<p><u>Optional:</u> The initial optional redemption date remains subject to negotiation, but it is expected that the University may redeem Bond principal then outstanding at a price of par plus accrued interest on any date beginning no later than October 1, 2030.</p> <p><u>Extraordinary Upon Determination of Taxability:</u> Optional redemption may occur in whole or in part at par plus accrued interest upon a Determination of Taxability of the Bonds. Should the University elect to not redeem some or all of the Bonds following a Determination of Taxability, the outstanding Bonds will incur additional interest of 2% annually.</p> <p><u>Extraordinary Upon Damage, Destruction, or Condemnation:</u> Optional redemption may occur in whole or in part at par plus accrued interest should financed project facilities suffer damage, destruction, or condemnation.</p>
Rating	The University's outstanding debt is rated A2 with a stable outlook by Moody's Investors Service ("Moody's"), most recently affirmed in September of 2020. The University and Moody's will participate in a rating call on April of 2021 and the University is scheduled to receive a credit report and updated credit rating on the Bonds in late April or early May of 2021. No change in the credit rating of the University expected.
Bank Qualification	The Bonds will not be designated as "qualified tax-exempt obligations."
Security	The Bonds are special limited obligations of the Authority payable solely from Loan Repayments made by or on behalf of the University pursuant to a Loan Agreement between the Authority and the University, or out of other amounts pledged pursuant to the Indenture as described herein. The Loan Repayments will be a general obligation of the University.

Minnesota Higher Education Facilities Authority  
Revenue Bonds, Series 2021, Saint John's University  
Preliminary Financing Plan  
Dated: April 21, 2021  
Page 4

Debt Service Reserve Account      Payment of principal and interest on the Bonds will not be secured by a debt service reserve fund.

Financial Covenants      It is anticipated that the Bonds will not require a debt service reserve fund. Discussion and market monitoring will continue to the Bond pricing date to determine if additional financial covenants or a debt service reserve fund will be required by investors.

The University is subject to three debt covenants under the Loan Agreements for the Series Eight-H Bonds and the Series Eight-I Bonds. The first covenant states that a Revenue/Expenditure Test must be met in at least 2 of the preceding three years. The measurement for this test is that the adjusted increase in Unrestricted Net Assets may not be less than zero. The second covenant states that the Funded Debt Ratio will be not less than 50%. The Funded Debt Ratio means the ratio of Unrestricted Liquid Funds divided by the principal amount of outstanding Funded Debt may not be less than 50%. The third covenant is a restriction on issuing additional Funded Debt (defined as debt with a maturity of more than two years). This covenant requires that Net Income Available for Debt Service for the most recent complete Fiscal Year for which audited financial statements are available must be at least 120% of Maximum Annual Debt Service (MADS) for both outstanding Funded Debt and the proposed additional debt.

Continuing Disclosure      Continuing Disclosure is required for the Bonds. The University is familiar with this requirement as it is subject to, and in compliance with, continuing disclosure requirements related to its outstanding debt. Pursuant to an update to SEC Rule 15c2-12, effective for new disclosures which take place after February 27, 2019, the University will add two additional material events to its filing requirements. The additional material events are:

- (1) Incurrence of a debt obligation, derivative instrument, or guarantee ("Financial Obligation") of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
- (2) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

Credit Enhancement      None.

Derivatives      There is no interest rate swap or other derivative product related to the Bonds.

Trustee      The University has selected U.S. Bank National Association to act as the Trustee for the Bonds.



**Minnesota Higher Education Facilities Authority**  
**Revenue Bonds, Series 2021, Saint John's University**  
Preliminary Financing Plan  
Dated: April 21, 2021  
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Permitted Investments Investments as permitted by Minnesota statutes.

Schedules Exhibit A: Estimated debt service and coverage on the Bonds.

EXHIBIT A

**Saint John's University**  
**Estimated Debt Service and Debt Service Coverage**  
**Before and After Issuing the Bonds**

	Existing FY Debt Service	Estimated MnHEFA 2021 Debt Service	New Total Net DS	Difference
2021	4,139,013	0	4,139,013	-
2022	3,160,263	791,899	3,952,161	791,899
2023	3,164,038	934,700	4,098,738	934,700
2024	2,463,788	1,670,825	4,134,613	1,670,825
2025	2,468,163	1,672,075	4,140,238	1,672,075
2026	2,471,413	1,671,325	4,142,738	1,671,325
2027	2,470,163	1,668,575	4,138,738	1,668,575
2028	1,966,863	1,668,700	3,635,563	1,668,700
2029	1,969,678	1,671,450	3,641,128	1,671,450
2030	1,976,731	1,671,700	3,648,431	1,671,700
2031	1,970,584	1,669,450	3,640,034	1,669,450
2032	1,965,925	1,669,575	3,635,500	1,669,575
2033	1,977,400	1,671,825	3,649,225	1,671,825
2034	1,970,400	1,667,500	3,637,900	1,667,500
2035	1,344,475	1,672,000	3,016,475	1,672,000
2036	1,343,925	1,669,400	3,013,325	1,669,400
2037	-	1,669,700	1,669,700	1,669,700
2038	-	1,667,800	1,667,800	1,667,800
2039	-	1,668,600	1,668,600	1,668,600
2040	-	1,671,900	1,671,900	1,671,900
2041	-	1,667,700	1,667,700	1,667,700
<b>Total:</b>	<b>36,822,819</b>	<b>31,786,699</b>	<b>61,933,517</b>	<b>25,110,699</b>

MADS: **4,139,013**                      MADS: **4,142,738**

Amounts available for debt service	2020	2019
Operational Change in Unrestricted Net Assets	-1,090,485	5,325,792
Depreciation and Amorilization	5,621,996	5,677,602
Interest Expense	1,273,813	1,402,963
Net available for debt service	5,805,324	12,406,357

MADS prior to Series 2021	<b>4,139,013</b>	
Coverage	1.40	3.00
MADS post Series 2021	<b>4,142,738</b>	
Coverage	1.40	2.99

RESOLUTION RELATING TO FINANCING TERMS FOR  
SAINT JOHN'S UNIVERSITY

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

1. This Authority has received and held a public hearing with respect to, and adopted a Resolution Relating to Application for Saint John's University, a Minnesota nonprofit corporation (the "University"), as owner and operator of Saint John's University (the "Institution"), financing the costs of (i) the acquisition, construction and equipping of a new 96-bed townhouse style student residence facility; (ii) renovation and upgrades to Peter Engel Science Center; (iii) renovation of the first floor and third floor of Wimmer Hall; (iv) construction of a pedestrian bridge connecting the lower campus and upper campus; and (v) capital improvement and renovation projects, including a student center (Sexton Commons) and student residence facilities (Saint Thomas Aquinas Hall and Saint Mary Hall) (collectively, the "Projects"). (The project facilities described in the Projects are collectively referred to as the "Project Facilities"). All of the Project Facilities are owned or leased and operated by the University and located on the Institution's main campus in Collegeville, Minnesota.

2. The Authority has received assurances that all other conditions to be met by the University as provided in the Resolution referenced above (the "Resolution") have been, or will be timely, met and complied with.

3. There has not been disclosed to this Authority any material adverse change in the financial condition, operations or status of the University or in the Projects or otherwise relating to the said Application that would affect the Resolution or the financing of the Projects as proposed.

4. The Authority hereby ratifies and confirms all action heretofore taken with respect to the Application of the University.

5. As provided by the Resolution, Baker Tilly Municipal Advisors, LLC, as municipal advisor to the Authority, has reviewed the terms set forth in the Plan of Finance, dated April 21, 2021, recommending the issuance and sale of Revenue Bonds, Series 2021 (Saint John's University) in the maximum principal amount of \$25,000,000 (the "Bonds") to provide financing for the Projects, which terms are hereby approved.

6. The Executive Director of the Authority, with the advice and consent of the University and the Authority's municipal advisor, has recommended the selection of RBC Capital Markets, LLC as underwriter (the "Underwriter") for the Bonds.

7. Upon the recommendation of the Authority's municipal advisor and bond counsel and the approval of the University, 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 \$25,000,000, with a maximum true interest costs not to exceed 5.0% per annum and with a purchase price of not less

than 98% of the principal amount of the Bonds plus accrued interest, all subject to the terms and conditions set forth herein and in the Bond Purchase Agreement.

8. The Executive Director shall direct bond counsel to the Authority or other legal counsel to prepare for review by the Executive Director, the University and the Underwriter all necessary bond documents for the Bonds, 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 Plan of Finance and substantially similar to the bond documents for revenue bonds most recently issued and sold by the Authority, but with appropriate changes.

9. The Authority's municipal advisor shall prepare an Official Statement and any Preliminary Official Statement in consultation with the Underwriter, the University, the Executive Director and bond counsel setting forth all material facts with respect to the Bonds, the Projects, the Authority, the University 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 approval) the University 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).

10. 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, Chapter 80A, Minnesota Statutes. 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.

11. 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.

12. Upon the recommendation of the University 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 for the Bonds.

Adopted: April 21, 2021.

MINNESOTA HIGHER EDUCATION  
FACILITIES AUTHORITY

By \_\_\_\_\_  
Michael D. Ranum, Chair

By \_\_\_\_\_  
Gary D. Benson, Secretary

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## SERIES RESOLUTION

### MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY REVENUE BONDS, SERIES 2021 (SAINT JOHN'S UNIVERSITY)

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

1. Pursuant to resolutions adopted on April 21, 2021 (the "Prior Resolutions"), the Authority has:

(i) received and held a public hearing with respect to, and adopted a Resolution Relating to Application of Saint John's University, a Minnesota nonprofit corporation (the "University"), as owner or lessee and operator of Saint John's University (the "Institution") regarding financing the costs of (a) the acquisition, construction and equipping of a new 96-bed townhouse style student residence facility; (b) renovation and upgrades to Peter Engel Science Center; (c) renovation of the first floor and third floor of Wimmer Hall; (d) construction of a pedestrian bridge connecting the lower campus and upper campus; and (e) capital improvement and renovation projects, including a student center (Sexton Commons) and student residence facilities (Saint Thomas Aquinas Hall and Saint Mary Hall) (collectively, the "Projects"); and

(ii) authorized the negotiation of the issuance and sale of revenue bonds, including up to \$25,000,000 of the Authority's Revenue Bonds, Series 2021 (Saint John's University) (the "Bonds"), to RBC Capital Markets, LLC (the "Underwriter"), to finance the Projects; and

(iii) directed the preparation of documents, including a Loan Agreement, Trust Indenture, Bond Purchase Agreement, Continuing Disclosure Certificate and an Official Statement for the Bonds.

All provisions and findings of the Prior Resolutions are hereby ratified and confirmed except to the extent amended and incorporated herein.

2. The University has requested that the Bonds be issued as a single series of bonds in the maximum aggregate principal amount of up to \$25,000,000, 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. As provided in the Prior Resolutions, a Preliminary Official Statement is being prepared and will be designated as a near-final official statement, and the Underwriter will distribute copies thereof for the purpose of obtaining indications of interest from customers and establishing rates of interest for the Bonds.

4. As provided in the Prior Resolutions, a form of Bond Purchase Agreement has been reviewed by Fryberger, Buchanan, Smith & Frederick, P.A., as bond counsel, which Bond Purchase Agreement is to be executed by the Underwriter and the University and approved by the

Executive Director of the Authority providing for the sale of the Bonds by the Authority to the Underwriter, subject to the conditions therein set forth.

5. The Executive Director, on behalf of the Authority, is authorized and directed to take all actions necessary or desirable to receive a proposal from the Underwriter, provided that the Bonds shall not mature later than October 1, 2040, the principal amount of the Bonds shall not exceed \$25,000,000, the maximum true interest cost shall not exceed 5.0% and the purchase price shall be not less than 98% of the principal amount of the Bonds plus accrued interest. Upon the recommendation of the Authority's municipal advisor and bond counsel and with the approval of the University, the Executive Director may execute and deliver, on behalf of the Authority, the Bond Purchase Agreement. This Authority hereby authorizes the issuance and sale of the Bonds and no further approval by this Authority is required.

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

(i) Loan Agreement between the Authority and the University, expected to be dated as of June 1, 2021 (the "Loan Agreement").

(ii) Trust Indenture between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), expected to be dated as of June 1, 2021 (the "Indenture").

(iii) Continuing Disclosure Certificate by the University, expected to be dated as of June 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. In addition, the Executive Director of the Authority is hereby authorized to prepare, with the assistance of Springsted Incorporated as municipal advisor, a final Official Statement in substantially the form of the Preliminary Official Statement with all such deletions, changes and insertions therein as the Executive Director shall approve, and to furnish to the Underwriter 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.

7. 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.

8. The appointment of U.S. Bank National Association, as Trustee under the Indenture is hereby approved, ratified and confirmed.

9. The proceeds of the Bonds shall be deposited as follows:

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

(ii) 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.

10. As required by Sections 136A.25 to 136A.42, Minnesota Statutes, 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, which officers and the amount of the surety bond shall be as set forth in the separate resolution adopted by the Authority on November 28, 1972.

11. Pursuant to the recommendation of bond counsel, the Authority hereby finds and determines that a title opinion or a title commitment may be furnished as evidence of title to the Project Site (as defined in the Loan Agreement).

12. The terms and provisions of the Bond Purchase Agreement and the documents listed in paragraph 6 of this Resolution are all hereby incorporated by reference and 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.

Adopted: April 21, 2021.

MINNESOTA HIGHER EDUCATION  
FACILITIES AUTHORITY

By \_\_\_\_\_  
Michael D. Ranum, Chair

By \_\_\_\_\_  
Gary D. Benson, Secretary



**Resolution No. 04-2021-\_\_\_\_\_**

**MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY**

**Resolution Regarding FY2021 Update to Authority Bylaws**

WHEREAS, the Minnesota Higher Education Facilities Authority has established bylaws whereby changes to the bylaws must be done through resolution of the Authority Board.

WHEREAS, the Authority Board has reviewed the updates to the bylaws recommended by Authority Staff due to changes in procedure, regulations, common practice, technology, and staffing.

WHEREAS, the proposed changes and updates are as shown in the following:

*Article II, Section 5 Assistant Secretary and Recording Secretary shall be added to the Authority bylaws:*

**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.

*Article II, Section 5 Additional Duties shall be renumbered to Article II, Section 6 Additional Duties*

*Article II, Section 6 Additional Personnel shall be renumbered to Article II, Section 7 Additional Personnel*

*Article III – Executive Director and Assistant Director Section 1. Executive and Assistant Executive Officer shall have the following addition made to the end of the section:*

“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.”

*Article IV – Meetings Section 2. Regular Meetings shall now read:*

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

*Article IV – Meetings Section 3. Special Meetings shall now read:*

“The Chairperson of the Authority may, when the Chairperson 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 by email to each member of the Authority, or posting on the Authority's website [or social media used by 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."

*Article IV – Meetings Section 6. Manner of Voting shall now read:*

"The voting on all questions, motions, or resolutions at meetings of the Authority shall be by roll call 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. **When roll call votes are performed, the yeas and nays should be recorded in the minutes in good practice, although not required.**"

*Article VI – Amendments shall now read:*

"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 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."

BE IT RESOLVED as follows:

The Board of the Minnesota Higher Education Facilities Authority has conducted a roll call vote regarding the changes to the Bylaws and approves and adopts the updated language to each section of the Authority bylaws outlined in the resolution.

Adopted April 21, 2021

MINNESOTA HIGHER EDUCATION

FACILITIES AUTHORITY

By \_\_\_\_\_

Mike Ranum, Chair

By \_\_\_\_\_

Gary Benson, Secretary

# 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
<b>Income</b>					
4010 Annual Fee Income	847,276.99	403,745.38	-443,531.61	209.85 %	-109.85 %
4020 Application Fee Income	1,000.00		-1,000.00		
Discounts given	-530,394.81		530,394.81		
<b>Total Income</b>	<b>\$317,882.18</b>	<b>\$403,745.38</b>	<b>\$85,863.20</b>	<b>78.73 %</b>	<b>21.27 %</b>
<b>GROSS PROFIT</b>	<b>\$317,882.18</b>	<b>\$403,745.38</b>	<b>\$85,863.20</b>	<b>78.73 %</b>	<b>21.27 %</b>
<b>Expenses</b>					
6000 Stipends	2,585.00	3,520.00	935.00	73.44 %	26.56 %
6001 Board Travel		2,500.00	2,500.00		100.00 %
6002 Communications	11,878.99	24,064.00	12,185.01	49.36 %	50.64 %
6003 Staff Travel	241.61	6,250.00	6,008.39	3.87 %	96.13 %
6004 Office Rent	36,360.54	48,480.72	12,120.18	75.00 %	25.00 %
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	5,354.00	8,000.00	2,646.00	66.93 %	33.08 %
6009 Fiscal Consultant Fees	3,700.00	1,000.00	-2,700.00	370.00 %	-270.00 %
6010 Audit Fees	19,125.00	19,125.00	0.00	100.00 %	0.00 %
6012 Legal Fees	25,226.10	52,000.00	26,773.90	48.51 %	51.49 %
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	2,015.21	3,000.00	984.79	67.17 %	32.83 %
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	6,605.45	9,800.00	3,194.55	67.40 %	32.60 %
6023 Postage/Delivery Expense	32.59	275.00	242.41	11.85 %	88.15 %
6100 Salaries	147,164.74	210,000.00	62,835.26	70.08 %	29.92 %
6101 Fringe Benefits	42,711.00	64,000.00	21,289.00	66.74 %	33.26 %
6104 Worker's Compensation	170.00	170.00	0.00	100.00 %	0.00 %
6200 Equipment Leases	5,402.18	6,980.00	1,577.82	77.40 %	22.60 %
<b>Total Expenses</b>	<b>\$310,654.36</b>	<b>\$476,914.72</b>	<b>\$166,260.36</b>	<b>65.14 %</b>	<b>34.86 %</b>
<b>NET OPERATING INCOME</b>	<b>\$7,227.82</b>	<b>\$ -73,169.34</b>	<b>\$ -80,397.16</b>	<b>-9.88 %</b>	<b>109.88 %</b>
<b>Other Income</b>					
4000 Interest Income	25,498.33	36,000.00	10,501.67	70.83 %	29.17 %
4050 Unrealized Gain/Loss Adjustment on Sale	-4,416.31		4,416.31		
<b>Total Other Income</b>	<b>\$21,082.02</b>	<b>\$36,000.00</b>	<b>\$14,917.98</b>	<b>58.56 %</b>	<b>41.44 %</b>
<b>Other Expenses</b>					
Other Miscellaneous Expense	3,346.71	7,500.00	4,153.29	44.62 %	55.38 %
<b>Total Other Expenses</b>	<b>\$3,346.71</b>	<b>\$7,500.00</b>	<b>\$4,153.29</b>	<b>44.62 %</b>	<b>55.38 %</b>
<b>NET OTHER INCOME</b>	<b>\$17,735.31</b>	<b>\$28,500.00</b>	<b>\$10,764.69</b>	<b>62.23 %</b>	<b>37.77 %</b>
<b>NET INCOME</b>	<b>\$24,963.13</b>	<b>\$ -44,669.34</b>	<b>\$ -69,632.47</b>	<b>-55.88 %</b>	<b>155.88 %</b>

25% of fiscal year remaining