



The Minnesota Higher Education Facilities Authority (the “Authority” or “MHEFA”) convened a regular Board meeting at 2:00 pm Central Time, Wednesday, May 19, 2021.

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8, 2020 (the foregoing and other Emergency Executive Orders of the Governor relating to COVID-19, as may be amended or superseded, collectively, the “Emergency Orders”), members of the Authority participated in and attend the meeting by telephone or other electronic means in accordance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

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

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 May 19, 2021

Board Actions Taken:

| Motions: | Result: | Vote: |
|--|----------------|--------------|
| Approval of Meeting Minutes of April 21, 2021 | Passed | Unanimous |
| Approval of Authority Adjusted FY2021 Budget | Passed | Unanimous |
| Adoption of FY2022 Board Meeting Schedule | Passed | Unanimous |
| Adopt the nominated slate of FY2022 Board Officers | Passed | Unanimous |
| Adopt the proposed FY2022 Plan of Action | Passed | Unanimous |

| Resolutions | Result: | Vote: |
|--|----------------|--------------|
| Resolution Relating to Application from Hamline University | Passed | Unanimous |
| Resolution Regarding FY2021 Achievement Awards | 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
 Michael Ranum - V
 Bonnie Anderson Rons - V
 David Rowland - V
 Nancy Sampair - V
 Paul Cerkenik, Minnesota Private College Council, ex officio w/o vote - V

Absent: Mark Misukanis
 Ray VinZant
 Poawit Yang

Other Attendees: Margaret Tungseth, VP Finance, Hamline University - V
 Robert Toftey, Bond Counsel, Fryberger Law Firm - T
 Nick Taylor, Principal, North Slope Capital Advisors, LLC – V

Also Present: Barry W. Fick Executive Director MHEFA - V
Amanda Lee, Operations Manager, MHEFA – V
Mark LeMay, member of the public – T
Grant Turpin, University Counsel - T

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 April 21, 2021 Board meeting.

The first item on the Agenda is the review and consideration of the minutes of the April 21, 2021 Authority Board meeting.

A motion was made by Nancy Sampair to approve the April 21, 2021 minutes. The motion was seconded by Mary Ives. Chair Ranum asked if there were any questions, discussion, or changes to the minutes of the April 21, 2021 Board meeting. Board Member Sampair noted a minor drafting/spelling error which was corrected. There were no questions or other 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 |
| | Michael Ranum | Yes |
| | Bonnie Anderson Rons | Yes |
| | David Rowland | Yes |
| | Nancy Sampair | Yes |

There were no votes against the motion and the Minutes (as amended) of the April 21, 2021 MHEFA Board meetings were approved.

Agenda Item II – Hamline University Application for Financing

Chair Ranum opened the Public Hearing for Hamline University. Executive Director Fick noted that Notice for the Hamline University's 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.

Chair Ranum called on Ms. Margaret Tungseth, Senior Vice President for Finance and Administration at Hamline University to present the financing request of the University. Ms. Tungseth began by introducing herself and proceeded to outline the purpose of the financing request. The projects to be funded with bond proceeds include:

1. the refunding of the outstanding principal of the Series Seven-Y2 Note (2013);
2. the financing of improvements, construction and equipping of a number of existing University buildings, primarily in the Drew Residence Hall;
3. funding a portion of the cost of converting the North Campus from High Pressure Steam to Low-Pressure Steam; and
4. pay issuance costs.

Ms. Tungseth discussed the basic structure of the financing. The Series Seven-Y2 Note has a mandatory tender on June 30, 2021. This requires that the Note holder must turn in their Note and the rate will be reset at the market rate in effect at the mandatory tender date. The Series Seven-Y2 Note principal has been reduced from an initial \$6.2 million to \$2.975 million. In addition, Hamline received an estate gift of approximately \$6 million. The proceeds of this gift were used to repay a portion of the debt incurred in 2017 to fund construction of the Anderson Campus Center.

Hamline worked with U.S. Bank to refinance the Series Seven-Y2 principal and increase the amount borrowed to fund the projects included in the University's Financing Application. This financing program allows the University to receive funds to construct vital campus projects and not increase total debt, while also taking advantage of low market borrowing costs and keep financing expenses low. The Bank was amenable to the University proposal and has approved a private placement financing for new money projects and the refunding of Series Seven-Y2 with a total estimated borrowing of \$9.725 million.

It is to be a Private Placement with U.S. Bank, N.A. Hamline has worked with the Bank on other transactions and has a good working relationship with them. The University has negotiated and

agreed on basic terms of the private placement with the Bank and has signed a Rate Lock agreement with the Bank. The Rate Lock fixes the rate through June 30, 2021. If the University and the Bank are unable to close the financing by June 30, 2021, the rate will float to market rates. The University entered into the Rate Lock agreement to eliminate the risk of rising interest rates.

Ms. Tungseth discussed the effect of COVID-19 on the Hamline community and outlined the actions Hamline has taken to minimize the effect of COVID-19 on the University. She discussed the financial adjustments made by the University, including employee furloughs, leaving vacant positions unfilled, suspension of employer contributions to employee retirement plans, travel restrictions, and other expense containment efforts. She also discussed enrollment, investment performance, gifts, and contributions. She noted that the assistance of the federal government aid has been very helpful. She concluded by noting that Hamline has successfully dealt with COVID-19 and plans to return to on-campus operations for fall 2021.

Chair Ranum asked if there were questions from Board members. There were no questions.

Mr. Ranum closed the public hearing and asked Mr. Nick Taylor of North Slope Capital Advisors to provide the Board with an analysis of the financial effect of the application by the University. Mr. Taylor reviewed the Application Analysis prepared by North Slope. He referred Board members to the Application analysis and noted that while there is no debt service reserve, there is a set of financial covenants that have been negotiated between the University and U.S. Bank, which is providing the funds.

Mr. Taylor concluded his presentation and asked if Board members had questions. David Rowland asked for clarification about the amount of outstanding debt after issue of the Series 2021 Note. Ms. Tungseth and Mr. Taylor provided information to clarify the amount of debt outstanding will be offset by the repayment of other debt by the University, such as Hamline University's Series 2017A financing, which was paid off earlier in the fiscal year, so the net effect will be a small increase in total outstanding debt. There were no questions from Board members.

Mr. Ranum next asked Mr. Robert Toftey, Esq. from the Fryberger law firm, serving as bond counsel for the Hamline financing, to review Bond Counsel's Application Memorandum. Mr. Toftey directed the Board's attention to the Application of Hamline for MHEFA Financing Memorandum. Mr. Toftey noted that the memo represents Bond Counsel's findings from their review of the Hamline 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 Hamline in their Application and discusses IRS

limitations on tax-exempt financed projects, noting how those limitations might affect Hamline's Project.

Mr. Toftey concluded his presentation and asked if there were questions from Board members. David Rowland asked clarifying question on spend down related to timing of high pressure to low pressure steam conversion project. Bob Toftey and Margaret Tungseth answered that the funds would be spent and the timing between the projects is due to the fact that the projects overlap, and a portion of funds will be used for installation of the equipment for the steam project in the residence hall. The overall steam conversion project won't be fully complete, but the portion relating to the residence hall using the Series 2021 Note funds will be. There were no other questions from Board members.

Mr. Ranum then asked Mr. Robert Toftey to review the Resolution Relating to the Application of Hamline University. Mr. Toftey reviewed the resolution, after which there were no questions from the Board.

A motion was made by Gary Benson to approve and accept the Resolution Relating to Application of Hamline University. The motion was seconded by Nancy Sampair. Chair Ranum asked if there were any questions, discussion, or changes for Mr. Toftey regarding the Resolution. There were no other questions for Mr. Toftey related to the Resolution Relating to Application of Hamline University.

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

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

There were no votes against the motion and the Resolution Relating to Application of Hamline University was approved.

The Financing Plan and the Series Resolution related to the Series 2021 Revenue Note for Hamline University will be considered and acted upon at the Authority's June 2021 Board meeting.

Agenda Item III – FY2021 Budget Adjustment

Chair Ranum called on Operations Manager Amanda Lee to discuss and outline the next agenda item, a proposal to adjust the Authority's FY2021 Budget to reflect updated information. Ms. Lee noted that revenue estimates have increased as a result of two schools moving previously delayed projects forward to the 2021 fiscal year. In addition to the revenue increase, a number of expense categories are lower than budgeted due primarily to the continuing effect of COVID-19. Reductions in the areas of travel, capital improvements, conference expense, and professional development are lower than projected.

Some expenses have increased, mainly in the area of professional and legal fees. The largest change to the expense budget is an allowance for Office Contract work which is to fund temporary staffing during an employee leave to occur in late FY2021.

Chair Ranum commended Authority staff on careful management of funds such as taking advantage of Black Friday laptop deal for purchasing Authority computers.

A motion was made by Mary Ives to accept the FY2021 Proposed Adjusted Budget. The motion was seconded by Nancy Sampair. Chair Ranum asked if there were any questions or further discussion regarding the FY2021 Adjusted Budget. There were none, and Chair Ranum called for a Roll Call vote regarding the approval and acceptance of the proposed adjustments to the FY2021 Budget. A Roll Call vote was conducted, and the Board members voted as follows:

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

There were no votes against the motion and the Resolution Relating to the MHEFA adjusted FY2021 Budget was approved.

Agenda Item IV – FY2021 Achievement Award

The State of Minnesota MMB recently authorized the awarding of Achievement Awards if the affected staff meet the award criteria. The Authority requires the development of an annual Plan of Action for staff to use as a guide to determine if Authority staff qualify for an Achievement Award. Chair Ranum asked Executive Director Fick to review the FY2021 Plan of Action in preparation for consideration of awarding an achievement award to Authority staff for FY2021.

Mr. Fick reviewed the components of the FY2021 Plan of Action and how the staff met or exceeded the individual plan of action components during the year. It was also noted how the staff has adjusted their procedures and events to continue to meet the needs of its borrowers during COVID-19. The Authority staff responded to different needs during this fiscal year due to a new pandemic environment, including taking the initiative to employ legal counsel to assist schools with compliance concerns surrounding COVID-19 effects.

A motion was made by David Rowland to approve and accept the Resolution related to the FY2021 Achievement Award. The motion was seconded by Nancy Sampair. Chair Ranum asked if there were any questions, discussion, or changes regarding the Resolution. There were no other questions related to the FY2021 Achievement Award Resolution.

Paul Cerkvenik noted that although he is not a voting board member, he wanted to express his appreciation of the Authority staff's work and his support for this resolution.

Chair Ranum called for a Roll Call vote regarding the approval and acceptance of the Resolution on Achievement Awards for FY2021. A Roll Call vote was conducted, and the Board members voted as follows:

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

There were no votes against the motion and the FY2021 Achievement Award Resolution was approved.

Agenda Item V – Administrative Items

Chair Ranum asked Operations Manager Amanda Lee to discuss the various administrative items for the Board's consideration.

The first item for consideration is the discussion and motion for adoption of the FY2022 Board meeting schedule.

Amanda reviewed the proposed FY2022 Board meeting schedule, noting that there are no conflicts with holidays, so the Board meetings will continue to be scheduled for the 3rd Wednesday of each month, with meetings cancelled if there are no action items or no administrative items that require Board attention or action. Due to construction at Cray Plaza, it is likely that future Authority Board meetings will be held on the campus of borrower schools in the Twin Cities area. Authority staff have discussed this option with multiple Twin Cities schools, and all are receptive to hosting the Authority Board in the future. It was noted that the October Board meeting may likely be the first FY2022 Board Meeting and is already scheduled to be held at the University of St. Thomas.

Mr. Ranum asked if there were questions related to the Motion from Board members. There were no questions from the Board.

A motion was made by Bonnie Anderson Rons to approve and accept the Motion establishing the Authority Meeting Schedule for FY2022. The motion was seconded by David Rowland. 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 establishing the Authority meeting schedule for FY2022.

Chair Ranum called for a Roll Call vote regarding the approval and acceptance of the motion to establish FY2022 Board Meeting Schedule. A Roll Call vote was conducted, and the Board members voted as follows:

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

There were no votes against the Motion and the Motion establishing the Authority Board Meeting Schedule for FY2022 was approved.

The second administrative item is the Election of Board Officers for FY2022.

Chair Ranum asked Executive Director Fick to discuss and outline the nomination for Board Officers for FY2022. Mr. Fick opened nominations for the positions of Board Chair, Vice-Chair and Secretary. Gary Benson was nominated to be Chair. Bonnie Anderson Rons was nominated to be Vice-Chair. David Rowland was nominated to be Secretary. All nominees agreed to be nominated to their respective positions. Mr. Fick asked for nominations a second and third time and there were no other nominations for the Board officer positions.

Chair Ranum asked for a motion regarding the nomination of officers for FY2022. The Board members nominated as officers for FY2022 (July 1, 2021 to June 30, 2022) are the following:

Gary Benson, Board Chair
Bonnie Anderson Rons, Board Vice-Chair
David Rowland, Board Secretary

A motion to nominate this slate of officers was made by Mary Ives. The second was provided by Nancy Sampair.

Chair Ranum called for a Roll Call vote regarding the election of Board Officers for FY2022. A Roll Call vote was conducted, and the Board members voted as follows:

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

There were no votes against the motion and the FY2022 Officers were elected. Their election is effective on July 1, 2021, the beginning of the Authority's FY2022.

The third administrative item is the FY2022 Proposed Plan of Action for MHEFA.

Chair Ranum asked Executive Director Fick to discuss and outline the FY2022 Plan of Action for the Authority. Mr. Fick outlined the 18 Action items included in the FY2022 Plan of Action. Notable changes from prior years include work on a suitable recognition of the 50th nomination for Board Officers for FY2022 and celebration of the Authority's 50th Anniversary, expansion of cross-training by Authority staff to learn critical aspects of certain components of all Authority job tasks, and an expanded effort to identify, cultivate, and encourage qualified persons to apply for Board membership. The goal is to expand the diversity and inclusivity of persons interested in serving on the Minnesota Higher Education Facilities Authority Board. This will become increasingly important in the future. Also included in the FY2022 Proposed Plan of Action is the investigation and planning of new office space for the Authority due to the conversion of the current office building into condominiums.

Chair Ranum asked if there were any questions for Executive Director Fick related to the FY2022 Plan of Action. There were no questions from Board members.

A motion was made by Bonnie Anderson Rons to accept the FY2022 Proposed Plan of Action. The motion was seconded by Gary Benson.

Chair Ranum called for a Roll Call vote regarding the election of Plan of Action for FY2022. A Roll Call vote was conducted, and the Board members voted as follows:

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

There were no votes against the motion and the FY2022 Plan of Action was adopted. The Plan of Action is effective on July 1, 2021, the beginning of the Authority's FY2022.

There were no other administrative items for consideration by the Board.

Agenda Item VI – Old Business

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

Agenda Item VII – New Business

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

Agenda Item V – Other Business

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

Legislative Update

Our legislation was not moved forward to the 2nd of 3 Committees in the 2021 Legislative Session. Since the Authority is not well known to many legislators, we did not want to risk our reputation or become caught up as a bargaining chip when paired with other (unrelated or only somewhat related) legislation.

As quoted in The Daily Reformer, the 2021 legislative session was described by a lobbyist as “an historically bad year for legislating ... noting that fewer than two dozen bills passed in roughly 20 weeks.”

Since our legislation was not considered this session, we are working with our legislative consultants and have developed a plan to work with legislative staff and legislators over the balance of 2021 to educate more legislators on our proposal, as well as obtain additional sponsors for the legislation. We plan to revive the legislation for the 2022 legislative session.

Borrower Application Update

- With the conclusion of the Hamline University's Private Placement in June, we will have successfully completed five financing Applications for Fiscal Year 2021

- We are not aware of any financing applications pending in the near future. We will continue to work with schools on defining their capital needs and financing options.

Building Lease Update

Preparation of the building for conversion to residential use continues. Fewer than ½ dozen entities currently maintain space in the building. Baker Tilly will be vacating their space this summer, leaving a small number of other commercial tenants.

Borrower Staffing Update

Saint John's and St. Benedict have applied to their accrediting association to obtain approval to hire a single joint President for both schools. The accreditation is scheduled to consider their request in November 2021.

That concluded Mr. Fick's Executive Director's report for April 21, 2021.

At the conclusion of the Executive Directors report, Chair Ranum entertained a motion to adjourn the general meeting and enter into Executive Session. The purpose of the Executive Session is to conduct the annual performance review of the Executive Director.

A motion to adjourn the regular board meeting and enter into Executive Session was made by Bonnie Anderson Rons and seconded by David Rowland.

The Board voted by voice vote to adjourn the regular meeting and move to Executive Session at 3:40 pm, Central Daylight Time.

Upon Opening of the Executive Session:

- Executive Director Fick excused himself.
- Board members Bonnie Anderson Rons and Mary Ives excused themselves from the meeting at 3:45 pm following giving their feedback for Barry's review.
- Operations Manager Amanda Lee excused herself to allow the Board to privately discuss Mr. Fick's review.


- Board members as a group discussed the review of Executive Director Fick's performance over the past year.
- Mr. Fick and Ms. Lee were invited back for a summary of Mr. Fick's performance review.

The Board outlined their evaluation of Executive Director Fick's performance and expressed concurrence with his self-evaluation.

A motion to adjourn the Executive Session was made by Nancy Sampair and seconded by Gary Benson.

The Board voted by voice vote to adjourn the Executive Session at 4:09 pm, Central Daylight Time.

Respectfully submitted,



Assistant Secretary

9- Minutes for 19 May 2021 FINAL

Final Audit Report

2021-06-16

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| Created: | 2021-06-16 |
| By: | Amanda Lee (agl@mnhefa.org) |
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"9- Minutes for 19 May 2021 FINAL" History

-  Document created by Amanda Lee (agl@mnhefa.org)
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-  Document emailed to Barry Fick (bwf@mnhefa.org) for signature
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-  Document e-signed by Barry Fick (bwf@mnhefa.org)
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