



## **Listing of Mailout Material June 16, 2021**

- Forwarding Letter**
- Meeting Agenda**

*I. Review and approve minutes of the meeting of May 19, 2021*

- Minutes of May 19, 2021**

*II. Hamline University Series 2021*

- Preliminary Financing Plan – North Slope Capital Advisors**
- Series Resolution - Fryberger**

*III. FY2022 Administrative Items*

- FY2022 Proposed Budget**
- FY2022 Annual Fee Analysis**

*IV. Old Business*

*V. New Business*

*VI. Other Business*

- “Alison Byerly Named 12<sup>th</sup> President of Carleton College” (Carleton College)**
- “Gretchen Hofmeister ’85 Named Next Dean of the College” (Carleton College)**
- May 2021 Budget vs Actual**

# MEMORANDUM



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

Main Phone: 651.296.4690 Fax: 651.297.5751

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Date: June 9, 2021

To: Minnesota Higher Education Facilities Authority Board Members

From: Barry W. Fick, Executive Director

Subject: June 16, 2021 Authority Board Meeting Preview

Greetings to the Minnesota Higher Education Facilities Authority June 16, 2021 video and teleconference Board meeting. The focus of the June 2021 Board meeting will be the Financial Plan Review and Series Resolution for Hamline University's re-financing the Series Seven-N2 Note and financing a pair of new money projects.

We will also review a proposed Fiscal 2022 Fee Discount and the Fiscal Year 2022 Budget. We will have an update on Fiscal Year 2022 Board appointments by the Governor.

Finally, we will have the Executive Director's report.

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.



## Board Meeting Agenda

Wednesday, June 16, 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 May 19, 2021
- II. Hamline University
  - Preliminary Financing Plan – North Slope Capital Advisors
  - Series Resolution (with Financing Terms) – Fryberger
- III. FY2022 Administrative Items
  - FY2022 Proposed Budget
  - FY2022 Annual Fee Analysis
- IV. Old Business
- V. New Business
- VI. Other Business
  - Executive Director's Report

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

*General Public may attend via call-in number: 1-877-978-6969 Access Code: 866-830-615#*



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:

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

<b>Resolutions</b>	<b>Result:</b>	<b>Vote:</b>
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 COV ID-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 3<sup>rd</sup> 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 50<sup>th</sup> nomination for Board Officers for FY2022 and celebration of the Authority's 50<sup>th</sup> 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 2<sup>nd</sup> 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,

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Assistant Secretary



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

June 9, 2021

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

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

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

<b><i>Preliminary Financing Plan Highlights</i></b>	
<b>Par Amount</b>	\$9,725,000
<b>Financing Type</b>	New Money and Refunding
<b>New Money Project Description (the "Project")</b>	Renovation of Drew Residence Hall and conversion of the north campus heating system from high pressure steam to low pressure steam.
<b>Refunding Description</b>	Current refunding of Series Seven-Y2 (2013) Note
<b>First Principal Payment Date</b>	October 1, 2021
<b>Maturity Date</b>	October 1, 2031
<b>Interest Rate Mode</b>	Fixed Rate through July 15, 2026
<b>Interest Rate</b>	2.23% (locked in place on April 1, 2021)
<b>Expected Underlying Rating</b>	None
<b>Purchaser</b>	U.S. Bank National Association
<b>Expected Closing/Delivery Date</b>	June 29, 2021

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

Respectfully submitted,

  
NORTH SLOPE CAPITAL ADVISORS by  
Steph M. Chichester, President

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

**PRELIMINARY FINANCING PLAN SUMMARY**  
**MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY**  
**\$9,725,000**  
**REVENUE AND REFUNDING NOTE, SERIES 2021**  
**(Hamline University)**  
**June 9, 2021**

This Preliminary Financing Plan Summary (the "Summary") represents North Slope Capital Advisors' ("North Slope") review of the financing structure and is based on the most recent discussions with Hamline University (the "University"), the Minnesota Higher Education Facilities Authority (the "Authority"), and U.S. Bank (the "Purchaser"), the sole Note purchaser. As of the date of this Summary, the University has decided to issue a fixed rate Note to fund the Project and refund, on a current basis, all the remaining outstanding Series Seven-Y2 (2013) Note. The structure of the Note is expected to amortize over 10 years with a final maturity of October 1, 2031 and provide for approximately level annual debt service. The details of the Note provided below is preliminary and subject to slight revision prior to the closing of the issuance which is expected to occur on or before June 29, 2021.

Issuer:	Minnesota Higher Education Facilities Authority (the "Authority")
Borrower:	Hamline University (the "University")
Purpose of the Note:	The University will use the proceeds of the Note to: <ul style="list-style-type: none"><li>(1) finance renovation of Drew Residence Hall and the conversion of the north campus heating system from high pressure steam to low pressure steam (collectively, the "Project"),</li><li>(2) current refund the Authority's Series Seven-Y2 Note, and</li><li>(3) fund the costs of issuing the Note.</li></ul>
Issue Size:	The par amount of the Note of \$9.725 million matches the Authority's not-to-exceed size of \$9.725 million as of the writing of this Summary.
Costs of Issuance:	Costs of issuance of up to 2% of the par value of the Note may be funded with tax-exempt proceeds. At this time, actual costs of issuance are not expected to exceed 2% of the par amount of the Note.
Type of Sale and Purchaser:	The Note will be sold by the Authority to U.S. Bank National Association (the "Purchaser"). The Note will be issued as federal and State of Minnesota tax-exempt fixed rate bonds and complies with the Authority's Policy on Private Placement Financings which was adopted on May 20, 2009.
Expected Pricing Date:	The University has executed a <i>Fixed Rate Interest Lock and Indemnity Agreement</i> , dated April 1, 2021, with the Purchaser to lock the fixed interest rate at 2.23%. The rate will remain fixed at 2.23% for an initial period of five years (7/15/2026) but the Note will amortize over a 10-year period.

**Minnesota Higher Education Facilities Authority**  
**Revenue and Refunding Note, Series 2021 (Hamline University)**

Preliminary Financing Plan Summary

Dated: June 9, 2021

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Expected Closing

Date: June 29, 2021

Mandatory

Purchase: The Note will be subject to a mandatory purchase provision on July 15, 2026.

TIC (True Interest  
Cost):

The estimated TIC, as calculated through the Mandatory Purchase date of July 15, 2026, is 2.23%.

Note

Denominations: Denominations for the Note will be \$100,000 or greater in increments of \$1,000.

Interest Payments: Monthly beginning August 1, 2021.

Principal Payments: Annually beginning on October 1, 2021, with a final maturity of October 1, 2031.

Note Structure: The Note will be structured with approximately level, annual debt service payments.

Redemption: Optional: The Note is prepayable on any date subject to certain prepayment breakage costs as provided and calculated in Section 4.04 of the Continuing Covenant Agreement between the Purchaser and the University dated June 2021 (the "CCA").

Extraordinary Upon Determination of Taxability: In the event a Determination of Taxability is made, the Note shall be redeemed and prepaid, as a whole, and not in part, at the redemption price of par plus accrued interest, together with certain expenses or fees incurred by the Purchaser, as provided and calculated in Section 4.04 of the CCA.

Extraordinary Upon Damage, Destruction, or Condemnation: Optional redemption may occur should the financed project facilities suffer damage, destruction, or condemnation, in whole, at a price of par plus accrued interest, as provided and calculated in Section 4.04 of the CCA.

Rating: The Note will not be rated.

Bank Qualification: The Note will not be designated as a "qualified tax-exempt obligation."

Security: The University's full faith and credit are pledged to the repayment of the Note, with a covenant to set tuition, fees, rentals, and charges to be sufficient to make the required Loan Repayments (e.g., debt service payments) and pay operating expenses and other obligations of the University as they become due.

Debt Service

Reserve Account: A debt service reserve fund will not be funded with proceeds from the Note.

Financial

Covenants: The University will be subject to financial covenants contained in the Loan Agreement for the Series 2017B Bonds and financial covenants contained in the CCA for the Series 2021 Note which are each summarized below:

<b>Series 2017B Bonds</b>	<b>Series 2021 Note<sup>1</sup></b>
1. Fixed Charge Coverage Ratio	1. Fixed Charge Coverage Ratio
<i>Coverage Ratio <math>\geq 1.10x</math></i>	<i>Coverage Ratio <math>\geq 1.10x</math></i>
2. Additional Bonds Test	2. Liquidity Covenant
<i>Liquidity Ratio <math>\geq 50\%</math>, and Average 2-yr Coverage Ratio <math>\geq 1.10x</math></i>	<i>Minimum Eligible Cash and Investments of \$15 million each FY</i>
	3. Additional Bonds Test
	<i>No additional parity or subordinate debt without Purchaser consent with the exception of equipment debt <math>\leq \\$500,000</math></i>

Continuing  
Disclosure:

The University will be responsible to provide the Purchaser certain information (e.g., Annual Report, Unaudited Quarterly Statements, etc.) pursuant to Section 6.05 of the CCA. The University will also continue to comply with its existing Continuing Disclosure undertakings with regard to the outstanding Series 2017B Bonds.

Credit

Enhancement:

None

Note Registrar

and Paying Agent:

U.S. Bank, National Association

Permitted

Investments:

Investments as permitted by Minnesota statutes.

Potential Impacts  
from COVID-19:

On March 11, 2020, the World Health Organization proclaimed the Coronavirus (COVID-19) to be a pandemic. To lessen the risk of transmission of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19, affecting business activities and impacting global, state, and local commerce and financial markets.

At this time, the University cannot predict the overall health, operational or economic impact of COVID-19 on the University, including but not limited to the impact, if any, on student enrollment or future operations. The University has implemented a comprehensive COVID-19 protocol for students, faculty and staff designed to comply with national and State guidelines. The University has established a section on its website to provide updated COVID-19 protocol information. The University continues to monitor for COVID-19 related health issues on campus and is ready to modify current plans to help contain any future cases.

The University plans for on campus, in-person classes and activities for Fall 2021. The University strongly encourages all students and employees that are medically able to be full vaccinated against COVID-19 to receive the COVID-19 vaccine. Hamline has joined the U.S. Department of Education COVID-19 Vaccine Challenge. The University

<sup>1</sup> Preliminary, subject to change as of June 9, 2021.

has not yet made a decision if students, faculty, and staff will be required to be vaccinated against COVID-19 prior to returning to campus in Fall 2021.

Schedules:

Exhibit A: Estimated debt service on the Note.

Exhibit B: The University's existing debt service and estimated debt service for the Note.

**Minnesota Higher Education Facilities Authority**  
**Revenue and Refunding Note, Series 2021 (Hamline University)**  
 Preliminary Financing Plan Summary  
 Dated: June 9, 2021  
 Exhibit A

Amortization \$9,725M					
Date	Current Balance	Principal	Interest (2.23%)	Debt Service	Final Balance
7/1/2021 -10/1/2021	\$ 9,725,000	\$775,000	\$54,217	\$829,217	\$ 8,950,000
10/1/2021 -10/1/2022	\$ 8,950,000	\$815,000	\$199,585	\$1,014,585	\$8,135,000
10/1/2023	\$ 8,135,000	\$835,000	\$181,411	\$1,016,411	\$7,300,000
10/1/2024	\$ 7,300,000	\$860,000	\$162,790	\$1,022,790	\$6,440,000
10/1/2025	\$ 6,440,000	\$880,000	\$143,612	\$1,023,612	\$5,560,000
10/1/2026	\$ 5,560,000	\$895,000	\$123,988	\$1,018,988	\$4,665,000
10/1/2027	\$ 4,665,000	\$905,000	\$104,030	\$1,009,030	\$3,760,000
10/1/2028	\$ 3,760,000	\$915,000	\$83,848	\$998,848	\$2,845,000
10/1/2029	\$ 2,845,000	\$930,000	\$63,444	\$993,444	\$1,915,000
10/1/2030	\$ 1,915,000	\$945,000	\$42,705	\$987,705	\$970,000
10/1/2031	\$ 970,000	\$970,000	\$21,631	\$991,631	\$ -
Total		\$9,725,000	\$1,181,259	\$10,906,259	
Source: U.S. Bank National Association					

**Minnesota Higher Education Facilities Authority**  
**Revenue and Refunding Note, Series 2021 (Hamline University)**  
 Preliminary Financing Plan  
 Dated: June 9, 2021  
 Exhibit B

<b>Period Ending</b>	<b>Series 2021 Note</b>	<b>Series 2017B</b>	<b>Series 2013 (Seven-Y2) Loan*</b>	<b>Aggregate</b>
6/30/2021	0	2,413,500	582,300	2,995,800
6/30/2022	829,217	2,411,700	0	3,240,917
6/30/2023	1,014,585	2,409,375	0	3,423,960
6/30/2024	1,016,411	2,411,000	0	3,427,411
6/30/2025	1,022,790	2,410,375	0	3,433,165
6/30/2026	1,023,612	2,407,500	0	3,431,112
6/30/2027	1,018,988	2,407,250	0	3,426,238
6/30/2028	1,009,030	2,404,500	0	3,413,530
6/30/2029	998,848	2,404,125	0	3,402,973
6/30/2030	993,444	2,405,875	0	3,399,319
6/30/2031	987,705	2,399,750	0	3,387,455
6/30/2032	991,631	2,395,750	0	3,387,381
6/30/2033	0	2,398,500	0	2,398,500
6/30/2034	0	2,392,875	0	2,392,875
6/30/2035	0	2,393,750	0	2,393,750
6/30/2036	0	2,390,875	0	2,390,875
6/30/2037	0	2,389,125	0	2,389,125
6/30/2038	0	2,383,375	0	2,383,375
6/30/2039	0	2,388,250	0	2,388,250
6/30/2040	0	2,383,500	0	2,383,500
6/30/2041	0	2,379,125	0	2,379,125
6/30/2042	0	995,250	0	995,250
6/30/2043	0	993,375	0	993,375
6/30/2044	0	994,625	0	994,625
6/30/2045	0	993,875	0	993,875
6/30/2046	0	991,125	0	991,125
6/30/2047	0	991,250	0	991,250
6/30/2048	<u>0</u>	<u>989,125</u>	<u>0</u>	<u>989,125</u>
<b>Total</b>	<b>10,906,259</b>	<b>57,328,700</b>	<b>582,300</b>	<b>68,817,259</b>



SERIES RESOLUTION  
MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY  
REVENUE AND REFUNDING NOTE, SERIES 2021  
(TRUSTEES OF THE HAMLINE UNIVERSITY OF MINNESOTA)

PRIVATE PLACEMENT PROGRAM

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

1. Authority. This Authority is, by the Constitution and Laws of the State of Minnesota, including Sections 136A.25 to 136A.42, Minnesota Statutes, as amended (the “Act”), authorized to issue and sell its revenue bonds and notes for the purposes of financing or refinancing the cost of acquisition of authorized projects and to enter into contracts necessary or convenient in the exercise of the powers granted by the Act and to pledge revenues of the project and otherwise secure the bonds and notes.

2. Authorization of Series 2021 Note. The Authority hereby determines that it is necessary and expedient to authorize, and the Authority does hereby authorize the issuance and sale of the Authority’s Revenue and Refunding Note, Series 2021 (Trustees of the Hamline University of Minnesota) (the “Series 2021 Note” or the “Note”) pursuant to the Act to provide money to be loaned to the Trustees of the Hamline University of Minnesota, a Minnesota nonprofit corporation (the “University”) as owner and operator of an institution of higher education (the “Institution”) in the principal amount of \$9,725,000 to (i) refund the Authority’s Revenue Note, Series Seven-Y2 (Trustees of the Hamline University of Minnesota) (the “Series Seven-Y2 Note”); and (ii) finance renovation of Drew Residence Hall and the conversion of the north campus heating system from high pressure steam to low pressure steam (collectively, the “Project”).

The Series Seven-Y2 Note was issued to provide funds to be loaned to the University to refund the portion of the Authority’s Variable Rate Demand Revenue Bonds, Series Six-E2 (Trustees of the Hamline University of Minnesota), dated June 30, 2005 (the “Series Six-E2 Bonds”). The Series Six-E2 Bonds were issued to provide funds to be loaned to the University to finance the renovations, improvements and equipping of the Bush Memorial Library (including plaza repairs and a chiller replacement), the Robbins Science Center, the Drew Fine Arts Center, the Ceramics Studio Building, Sorin Hall and other facilities on the Institution’s main campus and the acquisition of, and renovation, improvement and equipping to, the Institution’s President’s residence and event center (together with Drew Residence Hall and the conversion of the north campus steam heating system, the “Project Facilities”).

The Project Facilities described in this resolution are owned and operated by the University and located on its main campus, the principal street address of which is 1536 Hewitt Avenue, St. Paul, Minnesota, except for the University President’s residence and event center which is located at 1027 Summit Avenue, St. Paul, Minnesota.

3. Finance Plan. North Slope Capital Advisors, as municipal advisor to the Authority, has prepared a proposed plan of finance dated June 9, 2021, for the Series 2021 Note in the principal amount of \$9,725,000 to provide financing for the Project. The Authority hereby approves the terms of such plan of finance.

The Note shall be issued in the principal amount of \$9,725,000, shall be dated the Closing Date (as defined in the Agreement hereinafter referred to, estimated to be no later than July 1, 2021), shall mature on October 1, 2031, and shall bear interest at a variable rate, with the interest at a fixed rate (subject to certain adjustments) through July 15, 2026, all as set forth in the Series 2021 Note. The Series 2021 Note is prepayable on any date subject to certain prepayment breakage costs. The Note will be subject to a mandatory purchase provision on July 15, 2026.

In the event of a Determination of Taxability (as defined in the Agreement), the Note shall bear additional interest pursuant to the formula in the Note based on the “taxable rate factor” set forth therein. The Note will also contain a higher interest rate on a default under the transaction documents.

4. Documents Presented. Forms of the following documents relating to the Note and the Project have been prepared or reviewed by Fryberger, Buchanan, Smith & Frederick, P.A., as bond counsel, and submitted to the Authority and are now on file in the office of the Authority:

(a) Loan and Note Purchase Agreement (the “Agreement”), to be dated as of the date of issue of the Note, by and among the Authority, the University and U.S. Bank National Association (the “Purchaser”) whereby, among other things, the Authority agrees to sell and the Purchaser agrees to purchase the Note, the Authority agrees to make a loan to the University of the proceeds of the sale of the Note, and the University covenants to complete the Project and to pay amounts sufficient to provide for the prompt payment of the principal of and interest on the Note.

(b) Assignment of Loan Repayments and Rights (the “Assignment”) to be dated as of the date of issue of the Note, whereby the Authority assigns to the Purchaser all of its interest in the Loan Repayments of the University under the Agreement and all of its interest in the Agreement, for the purpose of securing the Note, with certain exceptions as set forth therein.

5. Findings. It is hereby found, determined and declared that:

(a) The Project is eligible for financing under the Constitution and laws of the United States of America and the State of Minnesota, including the Act and Section 136A.34 of the Act, the Institution is a nonprofit institution of higher education under the Act, and the Authority has authority and the jurisdiction to issue and sell the Series 2021 Note to finance the Project for the University.

(b) The Authority held a public hearing on May 19, 2021, relating to the Project and the Application filed by the University after due notice of hearing published in accordance with the requirements of Section 147(f) of the Internal Revenue Code, and in the opinion of bond counsel, based on representations of the University, the Series 2021 Note will be qualified Section 501(c)(3) bonds within the meaning of Section 145 of the Internal Revenue Code, the interest on which will be exempt from Federal income tax.

(c) On May 20, 2009, the Authority adopted the Policy on Private Placement Financing. The proposed Agreement and the issuance and sale of the Series 2021 Note

substantially comply with the general guidelines of the Policy, and the University wishes the Authority to sell the Note in a private placement as permitted by the Policy.

(d) The Purchaser has presented a proposal to purchase the Series 2021 Note at a price equal to the principal amount of the Note, on the terms and conditions set forth in the Agreement, this Series Resolution (the “Note Resolution”) and the Note. The Purchaser will also act as paying agent and registrar (the “Paying Agent and Registrar”) with respect to the Note.

(e) Under the Agreement, the Purchaser represents that it has not sold and agrees that it will not sell the Note or any interest therein except to “financial institutions” or “other qualified buyers” to whom the Purchaser sells interests in the Note (“Investors”) and only in minimum denominations of \$100,000 or greater in increments of \$1,000 and to no more than 35 Investors. The Purchaser has agreed to execute and to cause each Investor, if any, to execute an Investment Letter substantially in the form of Exhibit C to the Agreement, representing among other things that the Purchaser or Investor is purchasing the Note or an interest therein for investment and not with a view to redistribution thereof and that the Purchaser or Investor is a financial institution or institutional buyer (or an accredited investor) and has received all information deemed by it necessary and relevant to its decision to purchase the Note or an interest therein. Accordingly, no official statement or offering memorandum is deemed necessary under SEC Rule 15c2-12, and the issuance and sale of the Note by the Authority pursuant to the Agreement is exempt from the registration requirements of the Minnesota Securities Act, Chapter 80A, Minnesota Statutes.

(f) The University shall provide to bond counsel such survey and evidence of title to the Project Facilities as requested by bond counsel.

(g) The representations of the Authority in Section 2.01 of the Agreement are true and correct.

(h) As required by 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 Series 2021 Note, 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.

(i) The Agreement provides for payments by the University to the Purchaser for the account of the Authority of such amounts as will be sufficient to pay the principal of and interest on the Note when due. No reserve funds are deemed necessary for this purpose. The Agreement obligates the University to provide for the operation and maintenance of the Project Facilities, including adequate insurance, taxes and special assessments. The Agreement further provides for the payment of a fee to the Authority at the Note Closing, and on each anniversary thereof, an amount equal to 1/8 of 1% per annum of the then outstanding amount of the Note (or such lesser amount as may be billed to the

University) and for the University to pay all costs of issuance of the Note in excess of two percent of the proceeds of the Note from sources other than proceeds of the Note.

(j) North Slope Capital Advisors, as municipal advisor to the Authority, has reviewed the proposal of the Purchaser and the Agreement and has reported to the Authority that the proposal appears feasible and reasonable.

(k) The University has approved and requested the Authority to accept the proposal of the Purchaser to purchase the Note on the terms set forth herein and in the Agreement, and the proposal appears feasible and reasonable.

6. Approval and Execution of Documents. The forms of the Agreement and the Assignment referred to in paragraph 4 are approved and shall be executed in the name and on behalf of the Authority by the Chair and Secretary, or the officers authorized to act for the foregoing officers, in substantially the form on file, but with all such changes therein, not inconsistent with the Act or other law, as may be approved by the officers executing the same, which approval shall be conclusively evidenced by the execution thereof.

7. Approval of Terms and Sale of Note. The Authority shall proceed forthwith to issue its Series 2021 Note, in the amounts, maturing, bearing interest, payable in the installments and otherwise containing the provisions set forth in paragraph 3 hereof and in the form of the Note attached as an exhibit to the Agreement, which terms and provisions are hereby approved and incorporated in this Note Resolution and made a part hereof. The Note, substantially in the form of Exhibit A to the Agreement, shall be issued and delivered to the Purchaser, and as authorized by the Act, principal of and interest on the Note shall be payable at the office of the Paying Agent and Registrar in Minneapolis, Minnesota.

8. Execution and Delivery of Note. The Note may be in typewritten or printed form and shall be executed by the manual signatures of the Chair and Secretary and the manual signature of the Assistant Secretary or the officers authorized to act for the foregoing officers and the official seal of the Authority shall be affixed thereto. When so prepared and executed, the Note shall be delivered to the Purchaser for payment of the purchase price, upon satisfaction of the conditions specified in the Agreement, including receipt of the signed legal opinion of Fryberger, Buchanan, Smith & Frederick, P.A., of Duluth, Minnesota, bond counsel.

9. Registration Records. The Purchaser, as registrar, shall keep a register which shall provide for the registration of the Note and for transfers of the Note. The principal of and interest on the Note shall be paid to the Purchaser for the account of the Holders entitled thereto in Federal or other immediately available funds.

10. Mutilated, Lost Stolen or Destroyed Note. If the Note is mutilated, lost, stolen or destroyed, the Authority may execute and deliver and the Paying Agent and Registrar may authenticate and deliver to the person in whose name the Note is registered (the "Holder") a new Note of like amount, date, unpaid principal amount and tenor as that mutilated, lost, stolen or destroyed; provided that, in the case of mutilation, the mutilated Note shall first be surrendered to the Authority, and in the case of a lost, stolen or destroyed Note, there shall be first furnished to the Authority, the University and the Purchaser evidence of such loss, theft or destruction

satisfactory to them, together with indemnity satisfactory to them. The Authority, the University and the Paying Agent and Registrar may charge the Holder with their reasonable fees and expenses in replacing any mutilated, lost, stolen or destroyed Note.

11. Transfer of Note; Person Treated as Holder. The Note shall be transferable by the Holder on the note register maintained by the Registrar, upon presentation of the Note for notation of such transfer thereon at the office of the Paying Agent and Registrar, accompanied by a written instrument of transfer in form satisfactory to the Paying Agent and Registrar, duly executed by the Holder or its attorney duly authorized in writing. The Note shall continue to be subject to successive transfers at the option of the Holder of the Note. No service charge shall be made for any such transfer, but the Paying Agent and Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. The person in whose name the Note shall be issued or, if transferred, shall be registered from time to time shall be deemed and regarded as the absolute Holder thereof for all purposes, and payment of or on account of the principal of and interest on the Note shall be made only to the Holder thereof, or to the Purchaser for the account of the Holder, and neither the Authority, the University nor the Paying Agent and Registrar shall be affected by any notice to the contrary. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Note to the extent of the sum or sums so paid. The Note shall be initially registered in the name of the Purchaser.

12. Amendments, Changes and Modifications to Agreement, Assignment and Note Resolution. Except pursuant to Section 3.05 or 9.05 of the Agreement, the Authority shall not enter into or make any change, modification, alteration or termination of the Agreement, the Assignment or this Note Resolution.

13. Pledge to Holder. Pursuant to the Assignment, the Authority shall pledge and assign to the Purchaser and its successor Holders of the Note all interest of the Authority in the Agreement, including all Loan Repayments to be made by the University under the Agreement and moneys derived from enforcement of the Agreement other than moneys received by the Authority as fees, indemnity or reimbursement of advances by the Authority. Other than such fees, indemnity and advance reimbursement payments, all collections of moneys by the Authority in any proceeding for enforcement of the obligations of the University under the Agreement shall be received, held and applied by the Authority for the benefit of the Holders of the Note.

14. Covenants with Holders; Enforceability. All provisions of the Note and of this Note Resolution and all representations and undertakings by the Authority in the Agreement are hereby declared to be covenants between the Authority and the Purchaser and its successor Holders of the Note and shall be enforceable by the Purchaser or any Holder in a proceeding brought for that purpose.

15. Proceeds of the Note. The proceeds of the Series 2021 Note shall be (i) used to prepay and redeem the Series Seven-Y2 Note as provided for in the Agreement; (ii) payment of costs of the Project; and (iii) used for the payment of costs of issuance of the Series 2021 Note as provided for in the Agreement.

16. Prior Action Ratified. The terms and provisions of the Agreement, the Assignment and each resolution of the Authority heretofore adopted by the Authority relating to the Series

2021 Note or the Project and the application relating thereto are all hereby incorporated by reference and adopted, ratified and confirmed; and the officers of the Authority and Fryberger, Buchanan, Smith & Frederick, P.A. as 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 the Agreement and each exhibit thereto to the end that the Project shall be completed and that the Series 2021 Note 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.

17. Definitions and Note Interpretation. Terms not otherwise defined in this Note Resolution but defined in the Agreement shall have the same meanings in this Note Resolution and shall be interpreted herein as provided therein. Notices may be given as provided in Section 9.03 of the Agreement.

18. Certifications. The Chair, Vice Chair, Secretary, Assistant Secretary and Operations Manager of the Authority are authorized and directed to prepare and furnish to Fryberger, Buchanan, Smith & Frederick, P.A., bond counsel, to the University, to the Purchaser and to counsel for the University and the Purchaser, certified copies of all proceedings and records of the Authority relating to the Project and the Note, and such other affidavits and certificates as may be required to show the facts appearing from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the Authority as to the truth of all statements contained therein.

Adopted: June 16, 2021

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Michael D. Ranum, Chair

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Gary D. Benson, Secretary

Minnesota Higher Education Facilities Authority  
FY2022 Proposed Budget  
July 2021 - June 2022



	FY21 Adjusted Budget Approved 5/19/21	FY22 Proposed Budget	Difference
<b>Income</b>			
4010 Annual Fee Income	440,527.94	435,000.00	(5,527.94)
4020 Application Fee Income	2,000.00	1,000.00	(1,000.00)
4000 Interest Income	36,000.00	18,500.00	(17,500.00)
<b>Total Income</b>	<b>478,527.94</b>	<b>454,500.00</b>	<b>(24,027.94)</b>
<b>Asset Expenses</b>			
1502 Current Year Asset Acquisition	3,500.00	20,000.00	16,500.00
<b>Expenses</b>			
6000 Stipends	3,960.00	3,960.00	-
6001 Board Travel	-	5,000.00	5,000.00
6002 Communications			
6002.01 Communications - Phones	6,000.00	5,000.00	(1,000.00)
6002.02 Communications - Internet	1,800.00	2,500.00	700.00
6002.03 Communications - Software	750.00	800.00	50.00
6002.04 Communications - Website	11,500.00	5,000.00	(6,500.00)
6002.05 Communications - Misc	400.00	600.00	200.00
<b>Total 6002 Communications</b>	<b>20,450.00</b>	<b>13,900.00</b>	<b>(6,550.00)</b>
6003 Staff Travel	500.00	15,000.00	14,500.00
6004 Office Rent	48,480.72	49,213.97	733.25
6005 Office Supplies	500.00	1,000.00	500.00
6005.01 COVID-19 Related Expenses	(51.36)	-	51.36
6006 Repairs	-	-	-
6007 Printing Expense	1,000.00	1,000.00	-
6008 Periodicals/Memberships	8,000.00	8,000.00	-
6009 Fiscal Consultant Fees	4,000.00	4,000.00	-
6010 Audit Fees	19,125.00	19,400.00	275.00
6012 Legal Fees	60,400.00	52,000.00	(8,400.00)
6013 Insurance Expense	2,000.00	1,700.00	(300.00)
6015 Miscellaneous Expense	250.00	5,000.00	4,750.00
6016 Bank Service Charges	3,000.00	3,000.00	-
6017 Conference Expenses	2,500.00	15,000.00	12,500.00
6018 Professional Development-Board	-	2,000.00	2,000.00
6020 Professional Development-STAFF	1,500.00	5,000.00	3,500.00
6021 IT			-
6021.01 IT - Managed IT Services	7,800.00	10,000.00	2,200.00
6021.02 IT - Software	1,500.00	1,800.00	300.00
6021.03 IT - Consulting and Training	500.00	500.00	-
6021.04 IT - Misc	750.00	750.00	-
<b>Total 6021 IT</b>	<b>10,550.00</b>	<b>13,050.00</b>	<b>2,500.00</b>
6023 Postage/Delivery Expense	150.00	150.00	-
6100 Salaries	215,000.00	226,000.00	11,000.00
6101 Fringe Benefits	64,000.00	85,000.00	21,000.00
6104 Worker's Compensation	170.00	170.00	-
6107 Office Contract Work	13,200.00	30,000.00	16,800.00
6200 Equipment Leases			
6200.01 Equipment Lease - Copier	3,450.00	3,500.00	50.00
6200.02 Equipment Lease - Postage Machine	740.00	740.00	-
6200.03 Equipment Lease - Aquos Board	2,820.00	2,820.00	-
<b>Total 6200 Equipment Leases</b>	<b>7,010.00</b>	<b>7,060.00</b>	<b>50.00</b>
<b>Total Expenses</b>	<b>489,194.36</b>	<b>585,603.97</b>	<b>96,409.61</b>
<b>Net Operating Income</b>	<b>(10,666.42)</b>	<b>(131,103.97)</b>	<b>(120,437.55)</b>

## MHEFA OPERATING BUDGET

Fiscal Year 2022

July 1, 2021 - June 30, 2022

Line Item Description

**1502 CURRENT YEAR ASSET ACQUISITION:** This line item contains expected asset purchases during the fiscal year. Assets purchased are planned to be above the Authority's \$500 threshold for depreciation. While this is cash spent during the fiscal year, the expenses are realized over 3-10 years through asset depreciation.

For FY2022, this is a larger than average amount since an office move is planned during the fiscal year. With the current unknown state of where the new Authority offices will be, there is a high potential that new office furniture will need to be purchased to fit in the new office space, as most of the current office furniture is quite large and would need to be downsized to fit a smaller space. All office furniture that can be reused will be reused in any new space. It should also be noted that all of the current office furniture has been fully depreciated and is past its "useful" life for depreciation purposes, fully eligible for replacement. The budgeted amount is a best guess to include the purchase price, delivery and set up of all new office furniture. A new desktop printer for the Operations Manager, not purchased in FY2021, is also figured into the budget for this line item.

**6000 STIPENDS:** Stipend expense for Authority members to attend regular Authority meetings or committee meetings. Eight members are eligible to receive meeting stipends as two members are ex-officio and are not eligible to receive the stipend. Included in the budget is the approved stipend for eight board members for eight meetings during FY2022.

**6001 BOARD TRAVEL AND EXPENSES:** Reimbursement to Authority members for travel expenses in connection with attendance at regular Authority meetings or committee meetings, such as mileage and parking expenses. For FY2022 this amount includes estimates for not only mileage and parking fees, but also potential fees from colleges or other venues to host any in-person board meetings since the MHEFA office space is essentially unavailable due to construction noise and will be unavailable once the Authority moves to a new office, likely soon after January 1, 2022. This line item also includes expenses incurred for the board recognition dinner.

**6002 COMMUNICATIONS:** This account has been broken into five subaccounts following the Authority's conversion to QuickBooks accounting software.

**6002.01 Phones:** This includes standard monthly phone charges, etc. and 1-800 number conference line expenses (required by the state of MN for public accessibility to public hearings) through Loffler. This subaccount also contains expenses for Authority cell phones. For FY2022, the potential for fees related to moving our phone service to new offices are also included, however, no fees are expected to be charged. These would most likely only be incurred if problems arose during the move and new set up.

**6002.02 Internet:** This line item covers monthly internet expenses, currently charged through Comcast. For FY2022, this subaccount also includes potential fees for moving our services to a new office space.

**6002.03 Software:** This line item covers communication software such as Microsoft Email, Zoom, and CorpNote. For FY2022, this includes an increase for email fees due to the addition of another email address for temporary help during maternity leave.



**6002.04 Website:** Included in the FY2022 budget is a maintenance and update budget for the Authority's website through Voom Creative for potential updates throughout the fiscal year. Also included is a \$1,200 maintenance fee from BondLink for the Authority Investment site. This fee covers any updates required to the site throughout the fiscal year. Also included in this line item are small website fees such as domain registration, website host fees, video hosting fees, internal search engine fees, and any other such fees associated with website.

**6002.05 Misc:** This subaccount includes a budget for Shred-It shredding services in FY2022.

**6003 STAFF TRAVEL:** Local and national travel expenses incurred by the staff for travel relating to Authority business. This budget covers routine local travel, such as visits to colleges in the state for annual visits and rating agency reviews, as well as attendance at meetings, workshops and conferences that are sponsored by the National Association of College and University Business Officers (NACUBO), Central Association of College and University Business Officers (CACUBO), National Association of Health and Educational Facilities Finance Authorities (NAHEFFA), State of Minnesota and others.

Also included are expenses related to travel to speaking engagements, such as the GFOA Conference panel. This line item also includes Department Head expenses (to roughly mimic MMB Operating Policy 0804-03 for other agencies) such as meals and related expenses when conducting business with boards, government officials, task forces, etc. or small meal items for employee morale and recognition.

The FY2022 budget reflects Minnesota's authorization for in state and out-of-state business travel effective June 1, 2021.

**6004 OFFICE RENT:** Reflects rent expense for office space. The current five-year lease expires in November 2022. The amount reflected in the budget is the amount we are currently obligated to pay through our current lease. The Authority will be attempting to break this lease to leave the current office space earlier than the November 2022 lease expiration date.

- July 2021 – November 2021: \$4,040.06 monthly
- December 2021 – July 2022: \$4,144.81 monthly
- FY2022 Total: \$49,213.97

**6005 OFFICE SUPPLIES:** Office supplies used on a daily basis.

**6005.01 COVID-19 Related Office Supplies:** The Authority expects the state's mask mandate scheduled to be lifted will also apply to state office spaces and expects to not have a need to purchase equipment related to COVID-19 safety.

**6006 REPAIRS:** No repairs are expected for FY2022 as the office building is under construction for conversion to condos. The Authority expects that any new office space items would be negotiated at the time of the new lease such as having painting and any necessary repairs done prior to move-in at the landlord's expense. There are maintenance contracts on the copier machine and the postage machine. The new postage machine purchased in FY2018 also includes insurance on the machine. Therefore, no equipment maintenance expenses are expected either.

**6007 PRINTING:** Expenses for the printing of the Authority's annual report and consulting on the design and preparation of the report.

- Printing of the Annual Report: \$750
- Misc. Printing Expenses: \$250

**6008 PERIODICALS/MEMBERSHIPS:** Covers membership or license fees for various organizations that provide a benefit to the Authority and staff. The current expenses include:

- NACUBO, CACUBO: \$1,850
- NAHEFFA: \$3,000
- GFOA: \$225
- CUSIP Global Services (LEI): \$91
- Bond Buyer: 3-year subscription paid in FY2019 good through June 30, 2022
- Chronicle of Higher Education: 3-year subscription paid in FY2020 good through January 2024
- Newspaper Subscriptions: \$1,500
- Bloomberg: \$415
- MN State Bar Association: \$350
- Other publications/memberships: \$569

**6009 FISCAL CONSULTANT FEES:** The Authority is in the process of securing contracts with the Municipal Advisor roster list however, no retainer fees are expected. Any additional work done at the Authority's request will likely be done by a consultant such as Mark LeMay. A budget for work done on a consultant basis is built into the FY2022 budget.

**6010 AUDIT FEES:** The expenses below reflect a proposal from BerganKDV to continue as auditor for Fiscal Years 2019-2021:

- Audit for FY 2019 \$18,850
- Audit for FY 2020 \$19,125
- Audit for FY 2021 \$19,400

**6012 LEGAL FEES:** This line item includes fees of the Attorney General's Office and special attorneys appointed by the Attorney General. For FY2022, it also includes two \$25,000 payments to McGrann Shea for legal legislative expansion effort assistance. The Authority does, however, intend to request a fee reduction from McGrann Shea in the renegotiation of expansion effort assistance for the 2022 legislative session due to much of the work already being completed. The fees for a legislative expansion effort are planned to be recovered by fees charged to healthcare borrowers if the expansion is approved.

**6013 INSURANCE EXPENSE:** Premium payments for the insurance policies that are carried by the Authority. The Authority utilizes the State's Risk Management Division to obtain coverage for the following policies.

- General Liability/Fire Damage Coverage - Property Insurance policy, one-year term currently paid through 6/30/21.
  - One-year renewal for FY2022 estimated at \$450
- Accidental Death and Dismemberment for Business Related Travel for board members and staff
  - One-year term paid through 11/19/21. (Estimated \$750 for 1 year)
- Commercial Crime (Employee Theft and Computer Crime)
  - The current policy has a three-year term paid through 4/10/2022 (\$1,418 for 3-year term), so a portion of the \$1,418 expense is applied to FY2022. The policy is expected to be renewed at a similar rate, with a small portion of that renewal applied to FY2022.
  - One-year of applied expense estimated at \$500

**6015 MISCELLANEOUS EXPENSES:** This covers miscellaneous items, including UCC filing fees for the Authority and Authority borrowers. For FY2022, this also includes potential moving fees, disposal fees of items, and other expenses related to an office move.

**6016 BANK SERVICE CHARGES:** Monthly banking fees for online Wells Fargo CEO Portal access, which allows viewing of transactions, access to statements, ability to transfer funds between accounts, ACH and wire payments, a fraud filter to catch unauthorized checks and transactions, as well as other online banking features.

**6017 CONFERENCE EXPENSES:** Expenses associated with hosting an annual conference in April for the finance officers of the Minnesota Private Colleges and Universities and representatives of the banking community. This line item also includes a smaller budget for a secondary summer roundtable event.

For FY2022, this line item includes estimates for the following items:

- An in-person annual conference held in April 2022 in a rented space, including a catering, swag, and invitation budget: \$7,500

- An in-person 50<sup>th</sup> Anniversary celebration in a rented space, including a catering, Anniversary momentos, and invitation budget: \$7,500

**6018 PROFESSIONAL DEVELOPMENT - Board:** Expenses of Authority Board Members for registration fees and travel for attendance at conferences or meetings that serve to update and inform members of topics affecting the Authority.

**6020 PROFESSIONAL DEVELOPMENT- Staff:** This line item represents the registration fees or tuition associated with the various classes, meetings, and conferences for the staff. These sessions are designed to encourage personal and maintain professional development and qualifications and keep the staff informed of changes in general public finance areas, tax exempt bond financing, higher education, and nonprofit business issues.

**6021 IT:** This account has been broken into four subaccounts:

**6021.01 Managed IT Services:** This subaccount includes coverage of all Authority computers and network hardware through a managed IT plan. This coverage allows for IT support of any kind, virus/threat monitoring, firmware and software upgrades, and monitoring of Authority internet or other outages. For FY22, this includes the addition of a laptop to the IT plan for temporary help during the Operation Manager's maternity leave, as well as potential fees incurred for assistance in moving the IT network to a new office space.

**6021.02 Software:** This line item includes IT software such as Microsoft Office 365, Adobe Acrobat, and QuickBooks monthly fees. For FY22, this includes an additional subscription for each service for temporary help during the Operation Manager's maternity leave.

**6021.03 Consulting and Training:** The Authority does not anticipate the need for consulting or training during FY2022, as no new software that would require training is planned for implementation during the fiscal year. However, if the Authority's expansion is approved during FY2022, there is a possibility for the need for consulting or training in regard to the Authority's accounting software, QuickBooks.

**6021.04 Misc:** This covers miscellaneous supplies and fees related to IT needs, and for FY22 may include running networking cables in a new office space, etc.

**6023 POSTAGE/DELIVERY EXPENSE:** Expenses incurred for postage and messenger service for local deliveries.

- Postage/Deliveries: \$150

**6100 SALARIES:** This line item covers the salary expense of the Executive Director and the Operations Manager who are employed in the State of Minnesota's Managerial Plan.

**6101 FRINGE BENEFITS:** Includes the following payments made by the employer on behalf of the employee: FICA taxes, MN State Retirement System contributions, Unclassified Retirement contributions, health, life and disability insurance premiums. The amount budgeted was estimated based on FY2021 benefit rates, plus an estimated increase for FY2022. This budget line changes with Authority staff insurance coverage options. In FY2021, one staff member carried family coverage and one staff member carried single coverage. In FY2022, it is expected that both staff members will carry family coverage.

**6104 WORKER'S COMPENSATION:** The Authority participates in the State's Worker's Compensation Pool and the premium is based on the amount of our past worker's compensation claims and an administrative fee. If the Authority were to have a claim, it would be liable for the total expense of the claim, but the Pool would allow the Authority to spread out the payments over time. The current expense is for administrative fees of the Pool.

**6107 OFFICE CONTRACT WORK:** This line item covers the expense of temporary help during the Operation Manager's maternity leave.

#### **6200 EQUIPMENT LEASES:**

**6200.01 Copier:** Expense of \$290 per month for the lease of a digital color copier under a five-year contract (August 2018-August 2023), which includes toner, maintenance, and an included allotment for B&W and color copies. Additional copies are billed at the same rate as that included in the monthly lease payment.

**6200.02 Postage Machine:** Expense of \$185 per quarter for the lease of a postage machine. Having a postage machine allows for discounted postage.

**6200.03 Aquos Board:** Expense of \$235 per month for the lease of a presentation board. The Authority is investigating our options to potentially terminate the lease of this equipment early due to changing needs and board meetings planned offsite with new office space.



**To:** Authority Board Members

**From:** Barry W. Fick, Executive Director  
Amanda Lee, Operations Manager  
MN Higher Education Facilities Authority

**Date:** June 16, 2021

**Subject:** Annual Review of Authority Fees

#### Calculation of Discount

Using the procedure outlined in the June 1996 Authority Resolution, the following calculation was made to determine the fee discount for the upcoming fiscal year 2022.

<i>Estimated Net Position as of 6/30/2021:</i>	\$2,100,293
Plus: Projected Fee Revenue for FY 2022	1,242,559
Plus: Projected investment income for FY 2022 <i>(Includes unrealized gain/loss)</i>	<u>19,500</u>
	\$3,362,353
 Less: Projected annual operating expense for FY 2022	565,604
Less: Target Net Position (current)	<u>2,100,293</u>
 Total	696,455
 Divided by: Fee Revenue	<u>\$1,242,559</u>
 Calculated fee adjustment for fiscal year 2022	56.05%

### **Background Information**

Prior to 1996, the Authority charged the full administrative fee allowed under federal tax rules as its primary source of revenue. Due to net revenues from those fees after expenses, an operating reserve was created, and the interest earned on that reserve has been used as an additional revenue source. In 1996, the Authority implemented a policy to annually review projected revenues and expenses to determine the fee income necessary to meet expenses while holding the growth of the operating reserve or, as referred to in this analysis, the Net Position, to neither increase or decrease.

Based on the annual review of fee income and expenses, the Authority adjusts the fiscal year adjustment to the legally allowed administrative fee to generate sufficient income to fund cash expenses and remain approximately budget neutral for each fiscal year. The following chart shows the Authority fee adjustment for each fiscal year since 1997:

<u>Fiscal Year(s)</u>	<u>Discount</u>	<u>Years</u>
1997	30%	1
1998	40%	1
1999 - 2002	50%	4
2003 - 2004	60%	2
2005	70%	1
2006	80%	1
2007 - 2008	75%	2
2009	70%	1
2010 - 2012	75%	3
2013 - 2016	70%	4
2017 - 2021	65%	5

Based on a Board review of Net Position, the fiscal year fee was set to maintain the Net Position at approximately its current level. Beginning in fiscal year 2007, the discount was set so that projected income equaled estimated expenses, resulting in the Net Position remaining stable from year to year.

### **Projection Model**

Exhibit 1 is a model showing revenue and expenses for the past 3 years and revenue and expenses for fiscal years 2021 (estimated) and 2022 (projected). There are several alternative discount amounts presented for fiscal year 2022 to show the effect on Net Position.

### **Assumptions for Projections**

1. Fiscal year 2022 total revenues are based on the assumption that the Authority will issue the following bonds and notes in FY2022:

i. St. Thomas 2022: \$25,000,000

2. The investment earnings estimate is based on income from securities held. Under the Authority's Investment Policy all investments are laddered in Government Securities, Government-agency securities or FDIC insured Certificate of Deposits. There are currently 17 securities in the portfolio ranging in par value from \$100,000 to \$150,000, having maturities ranging from June 2021 to January 2024 with an average interest rate of just under 1.5 percent, with all recent interest rates for maturing CD's only earning well under 0.5 percent.

The Authority anticipates a continuation of very low investment interest rates in FY2022, with earnings similar to those of recent CD purchases in the under 0.5% interest rate range. This will reduce the average interest rate as 9 of the 11 CD's earning interest over 0.5 percent will all mature in FY2022 and will be reinvested in much lower interest rate CD's. FY2023 will likely see an even lower investment earnings return since 9 of the 11 higher interest CD's will have matured in FY2022.

3. The Authority adopted the requirements of Statement 31 of the Governmental Accounting Standards Board (GASB) beginning with the fiscal year 1998 financial statements. Under this Statement, the change in market value of an investment is reflected as an unrealized gain or loss in revenue and ultimately an increase or decrease in the Net Position. The Authority's investment policy encourages the holding of securities to maturity, at which time the security matures at its par value and the unrealized gain or loss that affected the financial statements relating to this security must be removed from the current income statement. The unrealized gain/loss calculation in Exhibit 1 for fiscal years 2021 and 2022 is an estimate of the difference between the market value at the end of one fiscal year and the market value at the end of the next fiscal year.



4. The projected expenses are based on known expenses for equipment leases, office space lease, other contractual obligations, and anticipated increases from the expenses for the previous year. Fiscal year 2022 expenses include an expense for Authority expansion efforts that, like the same fiscal year 2021 expenses, will be replenished from fees collected from healthcare borrowers if the expansion is approved. Fiscal year 2022 expenses also include estimates for expenses unique to FY2022 such as temporary help, a 50<sup>th</sup> Anniversary celebration, and potential moving expenses. Other noncash, year-end adjustments, such as the increase or decrease in earned vacation and severance liability, annual depreciation expense, and pension liability are included in the Net Position for prior years (2018-2020) but are not estimated in the 2021 estimate or 2022 prediction due to volatility. The largest non-cash expense is pension liability, which is calculated at the state from data two years in the past.

### Conclusion

The calculation of discount demonstrates that a fee discount of **56 percent** would enable the Authority to keep the Net Position near its current level. The staff recommends that the discount be set at **65 percent** for fiscal year 2022. This represents the sixth consecutive year the Authority maintains the same discount level, which provides consistency and budgeting predictability for the colleges and universities the Authority serves.

At this level of discount, there is a projected deficit for fiscal year 2022. Investment earnings and unrealized gain/loss on investments are difficult to predict for fiscal year 2022, given the current interest rate environment. No matter the outcome of investment performance, the Authority is able to absorb a deficit without dropping our Net Position below 2018 levels.

Since the expense and income estimates and projections are made based on past history and conversations with colleges and universities about their intent to issue bonds in the future, there is no absolute certainty that the expenses and fee income or the interest income will be as stated.

We are striving to lower some of the expected fiscal year 2022 expenses from the budget estimates, such as seeking new office space at a lower rental income, attempting to negotiate a lower legal fee for fiscal year 2022 related to the expansion, and attempting to negotiate an early termination from an equipment lease that is no longer needed in the new plan for office space. We do recognize that fiscal year 2022 expenses are much higher than previous years due to unique factors for this fiscal year only. We pledge to continue to operate in an efficient manner to keep operating expenses as low as possible.

## MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY



## ANNUAL PERCENTAGE REDUCTION ON ALL FEES TO ACHIEVE TARGET TOTAL ASSET BALANCE

## ACCRUAL BASIS

					FY 2022 ALTERNATIVES				
REVENUES	2018	2019	2020	2021	2022	2022	2022	2022	2022
Annual Admin Fees @ 0.125% (Existing Issues)	1,174,585	1,247,960	1,190,905	1,264,365	1,211,309	1,211,309	1,211,309	1,211,309	1,211,309
Annual Fees @ 0.125% (Future Issues - 1st year)					31,250	31,250	31,250	31,250	31,250
Fee Credits	(763,480)	(811,174)	(774,088)	(821,837)	(683,408)	(745,536)	(807,664)	(869,792)	(696,455)
Investment Earnings	33,896	41,377	47,905	36,000	18,500	18,500	18,500	18,500	18,500
Unrealized Gain/(Loss)	(30,348)	30,850	40,198	15,000	1,000	1,000	1,000	1,000	1,000
Total Revenues	414,653	509,013	504,920	493,528	578,652	516,524	454,396	392,268	565,605
EXPENSES									
Payroll, taxes & benefits	215,401	198,315	273,028	292,370	341,170	341,170	341,170	341,170	341,170
Rent	40,415	47,224	47,957	48,481	49,214	49,214	49,214	49,214	49,214
Legal, audit & fiscal consulting	30,664	27,929	69,756	83,525	75,400	75,400	75,400	75,400	75,400
Other	77,096	62,261	102,340	61,319	99,820	99,820	99,820	99,820	99,820
Total Expenses	363,576	335,729	493,081	485,695	565,604	565,604	565,604	565,604	565,604
Increase/(Decrease) in Total Assets:	51,077	173,284	11,839	7,833	13,048	(49,080)	(111,208)	(173,336)	1
Beginning Total Asset Balance:	1,856,261	1,907,338	2,080,622	2,092,460	2,100,293	2,100,293	2,100,293	2,100,293	2,100,293
Change in Accounting Principle									
Ending Total Asset Balance:	1,907,338	2,080,622	2,092,460	2,100,293	2,113,341	2,051,213	1,989,085	1,926,957	2,100,294
% Fee Reduction:	65%	65%	65%	65%	55%	60%	65%	70%	56.05%
% Fee Assessment - Actual '18 - '21; Proj '22	0.0438%	0.0438%	0.0438%	0.0438%	0.0563%	0.0500%	0.0438%	0.0375%	0.0549%

Color Code:	Actual
	Estimated
	Projected
	Recommended
	Target if zero increase

# News



*(<https://www.carleton.edu/news/>)*

THE LATEST FROM NORTH COLLEGE STREET

Menu



## Alison Byerly Named 12th President of Carleton College

Byerly was appointed to the position by a unanimous vote of the Carleton College Board of Trustees and will take office on Aug. 1, 2021.

12 May 2021 / Posted In: **College News** (<https://www.carleton.edu/news/stories/category/college-news/>)



Carleton College's 12th president will be Alison R. Byerly, an experienced and energetic leader, nationally recognized scholar, and passionate advocate for interdisciplinary education and the liberal arts. Following a months-long search, Byerly — current president of Lafayette College — was appointed to the position by a unanimous vote of the Carleton College Board of Trustees. She succeeds Steve Poskanzer, who has led the College since 2010, and will take office on Aug. 1, 2021.

"It is a tremendous honor and privilege to be chosen as Carleton's next president," Byerly said. "The great respect and admiration I have always felt for Carleton as one of the country's finest liberal arts colleges has been deepened in recent years by my personal experience as a Carleton parent. I have seen first-hand the impact of Carleton's stellar faculty, dedicated staff, and committed alumni and friends on the education and lives of students. I look forward to working with the entire community to make Carleton even stronger in the future than it is today."

Byerly comes to Carleton after eight years as president of Lafayette, a small, selective liberal arts college located in Easton, Pennsylvania. As Lafayette's 17th president, she launched an ambitious 10-year strategic direction to more than double its financial aid budget. Under Byerly's leadership, Lafayette also launched and completed its largest-ever fundraising effort, which raised \$426 million, and opened a five-story integrated sciences center, the largest capital project in the college's history.

"President Byerly is an innovative leader with stellar academic credentials and a deep admiration for the liberal arts," said Wally Weitz '70, chair of the Carleton College Board of Trustees and co-chair of the Presidential Search Committee. "She is committed to academic excellence and leads with resilience, optimism and a dose of good humor. She brings to Carleton enormous energy, long-term vision, and an ability to engage and inspire others around a shared vision."

"Beyond her remarkable record of leadership at Lafayette and Middlebury, President Byerly is a true relationship-builder whose love for students is a clear guiding point in her career in higher education," added Cathy Paglia '74, vice chair of the Board and co-chair of the Search Committee. "She is authentic, credible and collaborative with a sense of urgency for addressing real and immediate needs at Carleton, including the crucial work of advancing inclusion, diversity and equity. We are confident President Byerly is the right president to steer Carleton into its post-pandemic era, and to help shape and lead the College's future."

Prior to becoming president at Lafayette, Byerly was provost and executive vice president at Middlebury College. During her tenure on Middlebury's faculty from 1989-2013, she served as a visiting scholar at MIT, Stanford and Oxford. She is the author of two scholarly books — *Are We There Yet? Virtual Travel and Victorian Realism* (Michigan, 2013) and *Realism, Representation, and the Arts in Nineteenth Century Literature* (Cambridge, 1998) — and has written and spoken extensively on the role of technology in higher education.

Byerly holds a B.A. with Honors in English from Wellesley College, and an M.A. and Ph.D. in English from the University of Pennsylvania. She and her husband, Stephen Jensen, have two children: Laramie Jensen, a 2015 Carleton graduate, and Ryan Jensen.

The search for Carleton's 12th president began in the fall of 2020 following Poskanzer's decision to step down at the end of July 2021 and join the College's political science faculty in 2022 after a year-long sabbatical. A 17-member Search Committee was formed to include trustees Cathy Paglia '74, Wally Weitz '70, Carol Barnett '86, John Harris '85, and Jeninne McGee '85; alumni Amy Bevilacqua '89, Leslie Kautz '80, and Austin Lau '05; faculty members George Shuffelton (English, Faculty President), Marty Baylor (Physics and Astronomy), Adriana Estill (English and American Studies), and Dev Gupta (Political Science, Faculty President-Elect); students Andrew Farias '21 (former CSA President), Lucas Demetriades '22, and Molly Zuckerman '22 (current CSA President); and staff members Alex Miller (Sustainability) and Jane Rizzo (Budgeting and Financial Analysis). The group was assisted by Shelly Weiss Storbeck and Susan VanGilder of the firm of Storbeck Search & Associates, a division of the Diversified Search Group and a leading search firm specializing in higher education.

Learn more about Alison R. Byerly and the [presidential search process](http://carleton.edu/presidential-search) (<http://carleton.edu/presidential-search>).

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# News

(<https://www.carleton.edu/news/>)

THE LATEST FROM NORTH COLLEGE STREET



Menu



## Gretchen Hofmeister '85 named next Dean of the College

She will assume her new duties on July 1 following the retirement of Bev Nagel '75.

5 April 2021 / Posted In:

**Academics** (<https://www.carleton.edu/news/stories/category/academics/>), **College News** (<https://www.carleton.edu/news/stories/category/college-news/>)

Professor of Chemistry Gretchen Hofmeister '85 will be Carleton's Dean of the College for the 2021-22 academic year. Hofmeister, who has served as associate dean of the college since 2016, will assume her new duties on July 1, following the retirement of current Dean of the College Bev Nagel '75.



Gretchen Hofmeister

Hofmeister received her undergraduate education at Carleton, graduating *magna cum laude*. She then earned her Ph.D. in chemistry at the University of California at Berkeley before embarking upon a career as a teacher/scholar. Following post-doctoral appointments at both Berkeley and the Massachusetts Institute of Technology, she taught chemistry at Gustavus Adolphus College for seven years before returning to Carleton as an associate professor in 2002. She was subsequently promoted to full professor in 2013.

An organic chemist, Hofmeister studies the mechanisms of organocatalysis reactions that produce "handed" compounds in pure form. These reactions are particularly important in pharmaceutical synthesis. She has made a point of regularly involving students in her research, which has been supported over the years by the American Chemical Society Petroleum Research Fund and the National Science Foundation. A gifted, creative, and caring teacher, Hofmeister has developed and delivered courses in introductory and advanced organic chemistry, as well as lab courses in inorganic chemistry and the spectrometric characterization of compounds.

In 2016, Nagel tapped Hofmeister to serve as associate dean of the college, with particular responsibility for the development of the annual budget and academic facilities projects. Her significant achievements in this role include successful oversight of the enormously complicated design, construction and renovation of Carleton's interdisciplinary science complex, including Evelyn M. Anderson Hall. Over the past year, she has been a mainstay of Carleton's COVID-19 Core Team.

Previous Post

[Layla Oesper, assistant professor of computer science awarded a National Science Foundation CAREER grant](#) ([https://www.carleton.edu/news/stories/2021/04/05/layla-oesper-awarded-a-national-science-foundation-career-grant](#))

Next Post

[Journalist Maya Dusenbery '08 to deliver Carleton convocation](#) ([https://www.carleton.edu/news/stories/2021/04/05/journalist-maya-dusenbery-08-to-deliver-carleton-convocation](#))

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Gretchen Hofmeister '85 named next Dean of the College (<https://www.carleton.edu/news/stories/hofmeister-named-next-dean-of-the-college/>)

Alison Byerly Named 12th President of Carleton College (<https://www.carleton.edu/news/stories/alison-byerly-named-12th-president-of-carleton-college/>)

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# Minnesota Higher Education Facilities Authority

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

July 2020 - June 2021

	TOTAL				
	ACTUAL	BUDGET	REMAINING	% OF BUDGET	% REMAINING
Income					
4010 Annual Fee Income	1,036,070.11	440,527.94 403,745.38	-632,324.73	256.61 %	-156.61 %
4020 Application Fee Income	2,000.00	2,000.00	0.00	100.00 %	0.00 %
Discounts given	-650,100.43		650,100.43		
<b>Total Income</b>	<b>\$387,969.68</b>	<b>\$405,745.38</b>	<b>\$17,775.70</b>	<b>95.62 %</b>	<b>4.38 %</b>
GROSS PROFIT	<b>\$387,969.68</b>	<b>\$405,745.38</b>	<b>\$17,775.70</b>	<b>95.62 %</b>	<b>4.38 %</b>
Expenses		442,527.94			
6000 Stipends	3,355.00	3,960.00	605.00	84.72 %	15.28 %
6002 Communications	17,997.93	20,450.00	2,452.07	88.01 %	11.99 %
6003 Staff Travel	241.61	500.00	258.39	48.32 %	51.68 %
6004 Office Rent	44,440.66	48,480.72	4,040.06	91.67 %	8.33 %
6005 Office Supplies	392.14	448.64	56.50	87.41 %	12.59 %
6007 Printing Expense	757.05	1,000.00	242.95	75.71 %	24.30 %
6008 Periodicals/Memberships	6,130.99	8,000.00	1,869.01	76.64 %	23.36 %
6009 Fiscal Consultant Fees	3,700.00	4,000.00	300.00	92.50 %	7.50 %
6010 Audit Fees	19,125.00	19,125.00	0.00	100.00 %	0.00 %
6012 Legal Fees	33,559.85	60,400.00	26,840.15	55.56 %	44.44 %
6013 Insurance Expense		2,000.00	2,000.00		100.00 %
6015 Miscellaneous Expense	171.00	250.00	79.00	68.40 %	31.60 %
6016 Bank Service Charges	2,613.50	3,000.00	386.50	87.12 %	12.88 %
6017 Conference Expenses	2,376.03	2,500.00	123.97	95.04 %	4.96 %
6020 Professional Development-STAFF	1,057.00	1,500.00	443.00	70.47 %	29.53 %
6021 IT	8,089.70	10,550.00	2,460.30	76.68 %	23.32 %
6023 Postage/Delivery Expense	32.59	150.00	117.41	21.73 %	78.27 %
6100 Salaries	178,620.74	215,000.00	36,379.26	83.08 %	16.92 %
6101 Fringe Benefits	52,696.08	64,000.00	11,303.92	82.34 %	17.66 %
6104 Worker's Compensation	170.00	170.00	0.00	100.00 %	0.00 %
6107 Office Contract Work		13,200.00	13,200.00		100.00 %
6200 Equipment Leases	6,442.78	7,010.00	567.22	91.91 %	8.09 %
<b>Total Expenses</b>	<b>\$381,969.65</b>	<b>\$485,694.36</b>	<b>\$103,724.71</b>	<b>78.64 %</b>	<b>21.36 %</b>
NET OPERATING INCOME	<b>\$6,000.03</b>	<b>\$ -79,948.98</b>	<b>\$ -85,949.01</b>	<b>-7.50 %</b>	<b>107.50 %</b>
Other Income		-42,866.42			
4000 Interest Income	31,160.76	36,000.00	4,839.24	86.56 %	13.44 %
4050 Unrealized Gain/Loss Adjustment on Sale	-5,244.39		5,244.39		
<b>Total Other Income</b>	<b>\$25,916.37</b>	<b>\$36,000.00</b>	<b>\$10,083.63</b>	<b>71.99 %</b>	<b>28.01 %</b>
Other Expenses					
Other Miscellaneous Expense	3,346.71	3,500.00	153.29	95.62 %	4.38 %
<b>Total Other Expenses</b>	<b>\$3,346.71</b>	<b>\$3,500.00</b>	<b>\$153.29</b>	<b>95.62 %</b>	<b>4.38 %</b>
NET OTHER INCOME	<b>\$22,569.66</b>	<b>\$32,500.00</b>	<b>\$9,930.34</b>	<b>69.45 %</b>	<b>30.55 %</b>
NET INCOME	<b>\$28,569.69</b>	<b>\$ -47,448.98</b>	<b>\$ -76,018.67</b>	<b>-60.21 %</b>	<b>160.21 %</b>
		-10,366.42			



# Minnesota Higher Education Facilities Authority

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

July 2020 - June 2021

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## Note

91.67% of year elapsed