



The Minnesota Higher Education Facilities Authority (the “Authority” or “MHEFA”) convened a regular Board meeting at 2:06 pm Central Time, Wednesday, June 15, 2022.

The Board is conducting this meeting subject to the Open Meeting Law by in-person, telephone, and interactive technology as allowed by Minnesota Statutes. Members participating in the meeting can hear each other and all discussion; members of the public can hear all discussion and votes; and all votes are conducted by a roll call. The board has made provision for the public to monitor the meeting electronically from a remote location. The board has provided notice of the meeting location, the fact that some members may participate by interactive technology, and of the public’s right to monitor the meeting electronically from a remote location. Authority Chair Benson determined that an in-person meeting was not practical or prudent because of the health pandemic as defined according to current guidance from the Minnesota Department of Health, the Centers for Disease Control and Prevention, and the U.S. Department of Homeland Security.

The Authority Board meeting was held in the Conference Room at the Authority office, 380 Jackson St, Suite 450, St. Paul, MN 55101. Executive Director Fick was physically present, although not required due to the pandemic environment. Mr. Fick meets the state’s requirement for COVID-19 safety through vaccination. The location and time of the meeting was duly published and posted on the Authority website and the door of the Authority office.

The public was able to monitor the meeting by calling a toll-free number and able to connect using the video link.

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.015.

Executive Summary – Minnesota Higher Education Facilities Authority

Meeting on June 15, 2022

Board Actions Taken:

Motions:	Result:	Vote:
Approval of Meeting Minutes of May 18, 2022	Passed	Unanimous
Approval of Fiscal Year 2023 Plan of Action	Passed	Unanimous
Approval of the FY2023 Annual Fee Discount	Passed	Unanimous
Approval of the FY2023 Proposed Budget	Passed	Unanimous

Resolutions	Result:	Vote:
Combine Resolution 06-2022-01 and Resolution 06-2022-02 and Approve the combined Resolution Relating to the Authorization of a General Salary Increase from the Managerial Plan for FY22 and a General Salary Increase from the Managerial Plan for FY2023	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
 Bonnie Anderson Rons – V
 David Rowland – V
 Nancy Sampair – T
 Mary Yang Thao – V
 Paul Cerkenik, Minnesota Private College Council, ex officio w/o vote – V

Absent: Mary Ives
 Ray VinZant
 Mikeya Griffin
 Poawit Yang

Other Attendees: None

Also Present: Barry W. Fick Executive Director MHEFA – In-person and V
Amanda Lee, Operations Manager, MHEFA – V

Gary Benson, Chair, called the meeting order at 2:06 pm CT. Executive Director Fick confirmed that a quorum was present.

Agenda Item I – Minutes of the May 18, 2022, Board meeting.

The first item on the agenda is the review and consideration of the minutes of the May 18, 2022, Authority Board meeting.

Board members reported no changes to the May 18, 2022 minutes.

A motion was made by Bonnie Anderson Rons to approve the amended May 18, 2022 minutes. The motion was seconded by David Rowland. Chair Benson asked if there were any questions, discussion, or further changes to the minutes of the May 18, 2022 Board meeting. There were no further questions or proposed changes to the minutes from Board members.

Chair Benson 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
	Bonnie Anderson Rons	Yes
	David Rowland	Yes
	Nancy Sampair	Abstain
	Mary Yang Thao	Yes

There were no votes against the motion and the Minutes of the May 18, 2022, MHEFA Board meetings were approved.

Agenda Item II – Summary of May 18, 2022 Closed Session

The performance of Executive Director, Barry Fick, was evaluated by the MHEFA Board during a closed session of the Authority Board. As summarized in the May 18th meeting minutes, the MHEFA Board discussed Mr. Fick's performance and rated his performance as outstanding.

Agenda Item III – Annual Conference Update

Chair Benson called on Operations Manager Amanda Lee to provide an update on the status of the 2022 Annual Finance Conference. Ms. Lee noted that the Authority has looked at a number of site options, including Minnesota Vikings Practice facility Conference hotel, the Lost Spur Golf Club, as well as others. The preferred candidate is the St. Paul Union Depot, located in downtown St. Paul.

This site is preferred for a number of reasons, including its ability to accommodate a gathering of our size; the availability of convenient parking; spacious, well-lit, comfortable meeting facilities; on-site catering; overlooks the grand hall of the restored Union Depot train station. The Conference will be held in the Red Cap room, named after the persons who handled luggage at the Union Depot when it was a fully operating train station. The room has superior audio and video capability and is easy to access, both by light rail and automobile. Finally, the space is substantially less expensive than other options, the staff is friendly and the preferred date for the Conference (August 11) is available.

Chair Benson asked if there were questions from the Board for Amanda. Board members asked about access to the site, parking, and some questions about the facility in general. Board members expressed satisfaction with the recommended site and indicated they look forward to seeing the location in person.

Ms. Lee noted that there are additional facilities at the Union Depot that would be suitable for a meeting of Borrower CFOs and for future Board meetings if that would be convenient for Board members.

There were no other questions or comments from Board members. There is no required action by the Board and Authority staff will begin planning for the August 11, 2022 conference.

Agenda Item IV – General Salary Increases for FY2022 and FY2023

On May 26, 2022, Minnesota Management and Budget sent an email to state employees noting that the Legislature approved compensation plans for 36,000 state employees. The approval included the Managerial Plan. The plan provides for a 2.5% salary increase in FY2022 and a 2.5% salary increase for FY2023. Since the Authority occupies a unique status in the State of Minnesota system, the Managerial plan is not automatically applied to Authority Staff. The Board must approve the approved Managerial Plan compensation for Authority Staff.

The two resolutions included with the Board information packet for Board Consideration authorize the legislatively approved Managerial Plan components to apply to Authority Staff. There are two Resolutions, one for FY2022 and one for FY2023. If approved by the Board, the FY2022 compensation would be paid in a lump sum and the FY2023 compensation would be applied beginning July 1, 2022. Staff is requesting the Board approve Resolution 06-2022-01 and Resolution 06-2022-02.

Chair Benson asked if there were any questions from Board members. The question was asked if the two resolutions could be combined and the Board vote on both Resolutions at the same time. Executive Director Fick noted this is possible if the Board members plan to vote the same on each resolution. If any Board member wanted to approve one resolution but not the other, it would be preferable to vote on the Resolutions separately.

Board Member Bonnie Anderson Rons made a motion to combine the two Resolutions into one and to approve both Resolution No. 06-2022-01 and Resolution No. 06-2022-02. The motion was seconded by Nancy Sampair.

Chair Benson called for a roll call vote regarding the approval of the two Salary Adjustment Resolutions. A roll call vote was conducted, and the Board members voted as follows:

Board Members:	Gary Benson	Yes
	Bonnie Anderson Rons	Yes
	David Rowland	Yes
	Nancy Sampair	Yes
	Mary Yang Thao	Yes

There were no votes against the motion and Resolution No, 06-2022-01 and Resolution No, 06-2022-02 were approved.

Agenda Item V – FY2023 Administrative Items

Chair Benson called on Barry Fick to present the *FY2023 Plan of Action*. A Plan of Action is adopted by the Board annually. The Plan of Action outlines tasks for staff to accomplish during the year. Successful completion of the tasks is used as one of the components considered by the Board in their analysis for determining if Staff qualifies for Annual financial Performance Awards.

The FY2023 Plan of Action focuses on client service and continuing to improve the operating efficiency of operations. It also includes a focus on enhancing the Authority’s website. The FY2023 Plan continues prior FY components for continuing client service and builds on new areas identified as of increasing importance to borrowers.

Chair Benson asked if Board members had any questions about the FY2023 Plan of Action. There were no questions from Board members. The Chair asked for a motion to approve the FY2023 Plan of Action for Authority Staff. Nancy Sampair moved approval of the Motion. Chair Benson seconded the Motion.

Chair Benson called for a roll call vote regarding the approval of the FY2023 Plan of Action. A roll call vote was conducted, and the Board members voted as follows:

Board Members:	Gary Benson	Yes
	Bonnie Anderson Rons	Yes
	David Rowland	Yes
	Nancy Sampair	Yes
	Mary Yang Thao	Yes

There were no votes against the motion and the FY2023 Plan of action was approved and adopted.

FY2023 Budget – Chair Benson asked Operations Manager Amanda Lee to present the proposed FY2023 Budget to the Board. Ms. Lee outlined the assumptions that were used to develop the budget, noting that the FY2023 Proposed Budget includes relocation expenses for the Authority’s move to a new office location. Also included in the FY2023 Proposed Budget are one-time

expenditures for office furniture, communications equipment, and capitalizing of rent. The FY2023 budget includes planning for an in-person Finance Conference and a delayed 50th Anniversary event.

Ms. Lee prepared a line-item summary of the FY2023 Proposed Budget for Board members. This was distributed with the Board packet. Based on discussions with borrower institutions, the FY2023 Proposed Budget anticipates three financings. Income from investments may be higher than projected, as maturing Certificate of Deposits are reinvested at current market rates. In some cases, the current rates will be higher and, in some cases, the current rates may be lower than the prior rate. The authority will continue its investment policy of laddering the Certificates of Deposit to reduce interest rate and reinvestment risk to the Authority.

The FY2023 budget shows a small surplus when excluding capitalized expenditures and a modest deficit if the capitalized items are accounted for as cash expenditures.

Ms. Lee asked if there were questions from Board members. Several Board members commented favorably on the line-by-line budget analysis prepared and presented with the FY2023 budget. Board members found it very helpful for their analysis. Board members asked a number of questions about the derivation of specific line items, which were answered to the satisfaction of Board members. It was suggested that the Authority consider additional investment options besides Certificates of Deposit to obtain higher returns. Options suggested included direct purchase of US Treasury Certificates.

There were no other questions regarding the FY2023 Proposed Budget. Chair Benson noted that, consistent with prior Board procedure, the FY2023 Annual Fee Analysis and Discount Recommendation would be presented to the Board. After presentation and discussion of the Fee Analysis, the Board would take action on both the Proposed FY2023 Budget and the FY2023 Fee Analysis and Recommendation.

FY2023 Fee Analysis & Discount – Chair Benson asked Executive Director Fick and operations Manager Lee to present the FY2023 Annual Review of Authority Fees. Ms. Lee reviewed the memorandum included in the Board packet. She noted the comparison of the fee discount levels and that one of the Authority goals is to keep a level fee discount to enhance budget predictability for borrowers. This may result in annual surpluses or deficits for Authority Operations. This variability is

acceptable as the Authority maintains a sufficient cash balance to accommodate fluctuations in both expenses and a reduced number of borrowings in a fiscal year.

A chart showing actual 2019-2022 operating results was presented to Board Members. Included also was a chart showing projected FY2023 financial operating results at different fee discount levels. For FY2023, the best match to result in a balanced operating budget is a fee discount of 65.3%.

Based on the analysis of the FY2023 Projected Budget and FY2023 Fee Analysis, Authority staff recommends a 65% fee discount for FY2023. This is the same fee discount that has been in place since 2017.

Ms. Lee and Mr. Fick concluded the presentation and took questions. Board members asked several questions about underlying assumptions and specific line items in the materials. Their questions were answered to the satisfaction of board members.

At the conclusion of the FY2023 Fee Analysis presentation, Chair Benson announced that the Board would consider the FY2023 Proposed Budget and the FY2023 Annual Fee Discount as separate motions.

The Chair asked for a motion to approve the FY2023 Proposed Budget of the Authority. David Rowland moved approval of the Motion. The Motion was seconded by Chair Benson.

Chair Benson called for a roll call vote regarding the approval of the FY2023 Proposed Budget of the Authority. A roll call vote was conducted, and the Board members voted as follows:

Board Members:	Gary Benson	Yes
	Bonnie Anderson Rons	Yes
	David Rowland	Yes
	Nancy Sampair	Yes
	Mary Yang Thao	Yes

There were no votes against the motion and the FY2023 Proposed Budget approved and adopted.

The Chair next asked for a motion to approve the FY2023 Annual Fee Discount for the Authority at 65%. Nancy Sampair moved approval of the Motion. The Motion was seconded by Bonnie Anderson Rons.

Chair Benson called for a roll call vote regarding the approval of the FY2023 Annual Fee Discount for the Authority at 65%. A roll call vote was conducted, and the Board members voted as follows:

Board Members:	Gary Benson	Yes
	Bonnie Anderson Rons	Yes
	David Rowland	Yes
	Nancy Sampair	Yes
	Mary Yang Thao	Yes

There were no votes against the motion and the FY2023 Annual Fee Discount for the Authority of 65% was approved and adopted.

Agenda Item VI - Old Business

Chair Benson asked if there were any Old Business items from Board members for discussion.

Update on St. Thomas 2022A and 2022B – Executive Director Fick reported that the St. Thomas sale was very successful. It was the first time the Authority has offered a “Green” designated bond for sale. It was sold with a standard bond. Both bonds have identical security structures, repayment terms and structures and differ only in the Green designation on Series 2022A. The Series A bonds were sold very quickly. The Underwriter spent the majority of the offering period finding buyers for the non-Green designated bonds. At the conclusion of the order period, nearly all the bonds were sold, and the sale attracted new investors and new holders of MHEFA Bonds, thanks to the inclusion of Green Bonds. The Green Bonds didn’t provide an interest rate benefit, but without the inclusion of Green Bonds, the non-Green Bonds would not have been able to be marketed at the rates they were ultimately placed at with investors.

Legislative Update - Our expansion bill, as passed by the House and Senate Conference Committee, was passed by the full House, but the Legislature ran out of time before the Senate could act on our bill (included in the Higher Education Omnibus Bill) or any other bills.

We hope a Special Session is going to be called in the next month where the chance for passage of our bill is very good. We continue to remain cautiously optimistic on our prospects. In discussion with our legislative consultant, the chances of a special session are diminishing due to concerns by Republican leadership about voter perception of any additional spending. Rank and File legislators are hearing from constituents asking for a special session to give final passage to already agreed upon bills (including ours), especially the tax bill.

New Office Update – Staff reported that work on the new office buildout is on pace to be completed by the end of June. Framing is complete and some walls have been installed. Operations Manager Lee reported that movers are scheduled, new furniture installation and data wiring is scheduled. She anticipates the move will be completed by mid-July.

There were no other Old Business items from Board members for discussion.

Agenda Item VII – New Business

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

Agenda Item VIII – Other Business

Chair Benson 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.

Borrower Assistance and Financing Application Update

- We are engaging in preliminary discussions with several schools about financing projects in the next one to two years
- We are collaborating with multiple schools on Moody's rating updates
- We continue to support schools in their compliance with Continuing Disclosure obligations

- If the projected school financings are completed in the next fiscal year, we will be very close to our bonding limit of \$1.3 billion. This means we'll want to go back to the Legislature in 2023 at minimum for an expansion of our bonding limit to somewhere around \$2 billion.

Borrower Staffing Update

Vacancies exist for the CFO position at St. Scholastica, Bethel, and MCAD. Presidential search is underway at University of St. Thomas. The CFO at NW Health Sciences resigned. The position will be filled by Michelle Hegarty, who served at Hamline for many years.

Retirements

- Mark Gelle, AVP and Chief Investment Officer retired in June 2022 after over 3 decades of service to St. Olaf
- Susan Palmer, CFO at the College of St. Benedict, retires on June 30, 2022 after many years of service to the College
- Beverly Oberman, Administrative Assistant to the CFO at the College of St. Benedict, will retire on June 30, 2022 after many years of service to the College

Various Items of Interest

Executive Director Fick attended the National Government Finance Officers Association (GFOA) in Austin, Texas in early June. He moderated a panel on Bond Structuring, participated in a series of Debt Management Committee meetings on Best Practice updates and connected with Securities and Exchange Commission (SEC) staff members and various Rating Agency staff.

Mr. Fick's term on GFOA Debt Management Committee expires on September 15, 2022. He plans to apply for a second 3-year term unless the MHEFA Board objects.

In his capacity as President of the National Association of Health & Education Facilities Finance Authorities, (NAHEFFA), Executive Director Fick will be meeting with the Municipal Securities Rulemaking Board and Senior Staff in late July, as well as meeting with the SEC Office of Municipal Securities Director to discuss conduit municipal issues.

The fall NAHEFFA Conference will be in Bozeman, MT on Wednesday through Friday, September 14-16, 2022. Board members are welcome to attend.

Chair Benson asked if there was any further business to come before the Board. There was none. Chair Benson asked if there was any business anticipated to need to be considered in July. Staff is not aware of any Authority Business actions for July. Based on this, the Board discussed cancelling the scheduled July 2022 Board meeting. The Board members agreed verbally to cancel the July 2022 Board meeting.

The next meeting of the Board will take place in connection with the Finance Conference on August 11, 2022. Additional information about the topics at that Board meeting will be provided later in June.

Board Chair Benson asked Paul Cerkvenik to provide an update on fall enrollment at borrower schools. Mr. Cerkvenik discussed first-year student enrollment deposits, noting that this does not account for transfer students and others. Board Members had no further questions.

There were no other items from the Board. A motion to adjourn was made by Nancy Sampair with a second provided by Bonnie Anderson Rons. The Board acted by voice vote to adjourn the meeting at 3:35 pm, Central Time.

Respectfully submitted,

Bary W. Fick

Assistant Secretary



8- Minutes for 15 June 2022 FINAL

Final Audit Report

2022-10-20

Created:	2022-10-20
By:	Amanda Lee (agl@mnhefa.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAjxUTrUkuS-0JF3qADArrCMRLpaBanpwv

"8- Minutes for 15 June 2022 FINAL" History

-  Document created by Amanda Lee (agl@mnhefa.org)
2022-10-20 - 8:46:45 PM GMT- IP address: 47.232.49.72
-  Document emailed to Barry Fick (bwf@mnhefa.org) for signature
2022-10-20 - 8:47:00 PM GMT
-  Email viewed by Barry Fick (bwf@mnhefa.org)
2022-10-20 - 9:00:27 PM GMT- IP address: 96.75.144.189
-  Document e-signed by Barry Fick (bwf@mnhefa.org)
Signature Date: 2022-10-20 - 9:00:51 PM GMT - Time Source: server- IP address: 96.75.144.189
-  Agreement completed.
2022-10-20 - 9:00:51 PM GMT