



The Minnesota Higher Education Facilities Authority (the “Authority” or “MHEFA”) convened a regular Board meeting at 2:00 pm Central Time, Wednesday, January 18, 2023.

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.

The Authority Board meeting was held in Suite 145 at the Authority’s offices, 860 Blue Gentian Road, Eagan, MN 55121. Executive Director Fick was physically present. Mr. Fick meets the state’s requirement for COVID-19 safety through vaccination, including boosters. 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 in-person and by 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. Board Chair Gary Benson attended in-person, meeting the non-pandemic requirements of one member attending in-person.

Executive Summary – Minnesota Higher Education Facilities Authority

Meeting on January 18, 2023 Board Actions Taken:

| Motions: | Result: | Vote: |
|---|----------------|--------------|
| Approval of Meeting Minutes of October 19, 2022 | Passed | Unanimous |
| | | |

| Resolutions | Result: | Vote: |
|---|----------------|--------------|
| Approve Resolution 01-2023-01 Authorizing Performance-Based Salary Increase Under Managerial Plan 2021-2023 | 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 in-person (IP), by video link (“V”) or telephone (“T”):

Board Members: Gary Benson – IP
 Mikeya Griffin - V
 Mary Ives – V
 David Rowland - V
 Nancy Sampair – IP
 Mary Thao – V
 Ray Vin Zant – V
 Poawit Yang - V
 Stacy Holland, Minnesota Private College Council, ex officio w/o vote – V

Absent: Bonnie Anderson Rons

Other Attendees: None

Also Present: Barry W. Fick Executive Director MHEFA – IP
 Amanda Lee, Operations Manager, MHEFA – IP

Gary Benson, 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 October 19, 2022, Board meeting.

The first item on the agenda is the review and consideration of the minutes of the October 19, 2022, Authority Board meeting.

Board Member Nancy Sampair noted some non-substantive edits she would provide after the meeting to be incorporated into the October 19, 2022 Minutes. Board members reported no substantial changes to the October 19, 2022 minutes.

Chair Benson asked for a motion to accept and approve the October 19, 2022 Minutes. A motion was made by Mary Ives to approve the October 19, 2022, minutes. The motion was seconded by Ray VinZant. Chair Benson asked if there were any questions, discussion, or further changes to the minutes of the October 19, 2022, Board meeting. There were no 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 |
| | Mikeya Griffin | Yes |
| | David Rowland | Yes |
| | Nancy Sampair | Yes |
| | Mary Thao | Yes |
| | Mary Ives | Yes |
| | Raymond Vin Zant | Yes |
| | Poawit Yang | Yes |
| | Stacey Holland | Yes |

There were no votes against the motion and the Minutes of the October 19, 2022, MHEFA Board meetings were approved.

Agenda Item II – Old Business

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

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

Agenda Item III – New Business

Chair Benson asked if there were any New Business items from Board members for discussion. Operations Manager noted that the Annual Report of the Authority was published in November 2022.

Chair Benson asked Operations Manager Lee to review the FY2022 Annual Report of the Authority. Operations Manager Lee noted that the Annual Report has been published on the Authority website and hard copies of the Report provided to the appropriate State of Minnesota entities, including the Minnesota Historical Society. It was noted that the report includes a listing of all Authority Borrowers and the outstanding bond and note issues of the borrowers. The Annual Report also includes the full audited financial statements of the Authority for Fiscal Year 2022, which were presented in full at the October 2022 Authority Board Meeting by BerganKDV. Operations Manager Lee noted that if any Board member would like a hard copy of the FY22 Annual Report, one would be provided to them.

Chair Benson asked Board members if there were any questions for Operations Manager Lee about the FY22 MHEFA Annual Report. There were no questions from Board members.

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

Agenda Item IV – 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.

Legislative Update

Our efforts in the 2022 Legislative session were very successful. Our bill was approved by the House/Senate Conference Committee and referred to the full House, where it was passed by the full House a component of the Omnibus Higher Education bill. It was then sent to the Senate, where it was sidelined along with a large number of other bills when the Senate ran out of time in the Session to consider and act on many bills.

Given that our bill was approved by a joint House/Senate Conference Committee and passed by the full House, we are very hopeful that the 2023 Legislative session will result in full passage and enactment of our expansion legislation.

We have introduced the bill with bipartisan authorship in both the Minnesota House (HF 355) and Senate (Bill number to be assigned Jan 19).

Senate sponsors

Sen John Hoffman (D – Champlin)

Sen Carla Nelson (R – Rochester)

House sponsors

Rep. Kristin Bahner (D – Maple Grove)

Rep. Greg Davids (R – Preston)

Senator Hoffman is a new sponsor of our bill. He replaces Senator Tomassoni, who passed away in 2022. All the other sponsors were also sponsors in 2022.

As we did in 2022, we will be moving the bill through the Health and Human Services Committee and the Higher Education Committee in both chambers.

Rating Agency Update

- Moody's Investors Service has added an Analyst to the Minnesota Higher Education team
- Executive Director Fick will meet with Moody's staff in NYC in February to discuss Moody's staffing plans, rating updates for 2023, and site visits this Spring

Borrower Assistance and Financing Application Update

- We are engaged in preliminary discussions with four schools about financing projects in the calendar year 2023, which includes the Fiscal Year 2023 and the first half of the Authority's Fiscal Year 2024
- We are collaborating with multiple schools on Moody's rating updates
- We continue to support schools in their compliance with Continuing Disclosure obligations

Borrower Staffing Update

There are currently no vacant CFO positions at Minnesota private Colleges and Universities. A number of schools have vacancies at the Controller position or at the AVP for Finance position. We are actively working with those schools to help ensure continuity on debt management and reporting.

Two Minnesota private universities have announced new Presidents since our last meeting. The University of St. Thomas has named Rob Vischer as the 16th President of the University. He became President on January 1, 2023. He is the second layperson to serve as President of the University. Rob has served as the interim President of St. Thomas since Dr. Julie Sullivan left the Presidency in early 2022. Prior to becoming interim and now President, Rob was the Dean of the University of St. Thomas Law School for the past 10 years.

Concordia College Moorhead has selected Colin Irvine, Ph.D. as the 12th President of the College. His term as President begins July 1, 2023. He currently serves as Provost and Executive Vice President at Augustana University, Sioux Falls, South Dakota. Prior to working at Augustana, he was the SVP for Academic Affairs and Dean of the College at Carroll College in Helena, MT. He also worked at Augsburg University as a professor and faculty administrator.

Budget Update

With the lack of Senate action on our bill, we needed to engage McGrann Shea as legislative consultants to get the expansion legislation through the 2023 Legislative Session. We negotiated a consulting fee that is ½ of our prior year consulting fee with McGrann Shea. This fee was not included in our FY2023 budget.

Interest income is coming in higher than budget due to higher market rates and our management of investment duration in the current interest rate environment. Our maturing CDs are being invested at rates ranging from 4.60% (18m CD) to 4.90% (2yr CD). This compares to the sub-1/4% rates on the matured CDs. We review US Treasury rates and CD rates when reinvesting our portfolio. Recall that our investment portfolio is sized to serve as a reserve against risks and contingencies identified as potentially affecting the Authority as a conduit issuer.

Various

We have received 2 favorable reviews of our work on behalf of borrowers and our website from Institutional Investors this January. We received calls from investors looking for information about some of our borrowers. We directed them to our website and suggested they sign up on the investor section to receive future information. After reviewing the website, both investors contacted us to express their approval of the depth, quantity and quality of information about borrowers on our website.

The University of St. Thomas announced a \$75 million lead gift for the Hockey and Basketball facility to be built in the near future. The gift is from long-time St. Thomas benefactors Lee and Penny Anderson, who have also helped fund the Anderson Student Center, the Anderson Athletic and Recreation Complex, and the Anderson Parking Facility.

Chair Benson asked Operations Manager Lee to discuss the Budget vs. Actual Report for the period from July 1, 2022 through December 31, 2022. Operations Manager Lee noted that there are a number of items that will occur during the Fiscal Year 2023 which were not known when the Fiscal Year 23 budget was approved by the Board. A positive variance from the approved budget is the additional investment income from the Board's portfolio. As Certificates of Deposit mature, they are being reinvested at substantially higher interest rates. Through December, the total interest income is 129% of budget and will get larger during the balance of the year.

The decision to move the Annual Finance Conference back to its traditional April date will result in the cost for two Finance Conferences being reported in Fiscal Year 2023. In addition, the deferral of full legislative consideration of Authority expansion legislation to 2023 has resulted in additional

legislative consulting expense. The legislative consultant firm has agreed to a reduced fee for their assistance. This fee will also be reflected in FY23 operations.

The Authority budgeted for a deficit in FY23 after a surplus in FY22 due to move-related expenses crossing fiscal years. The approved FY23 budget includes contingencies that will mitigate some of the additional expenses. Any additional deficit related to the additional conference and legal fees in FY23 can be absorbed from Authority reserves and the fees charged to borrowers will not need to be adjusted for FY23.

Chair Benson asked if there was any Other Business to come before the Board. There was no Other Business for the Board to consider, and Chair Benson asked for a motion to adjourn the regular Board Meeting and move to Closed Session to discuss the performance review of the Operations Manager for February 2022 – January 2023. The motion to adjourn the Board meeting and move to closed session was made by Nancy Sampair and seconded by Ray VinZant.

Chair Benson called for a voice vote regarding the adjournment of the regular meeting and move to closed session. A Voice vote was conducted, and the Board members voted to adjourn the regular meeting and reconvene in closed session.

Closed Session Agenda Item I – Performance Review of Operations Manager

At the beginning of the closed session, Operations Manager Amanda Lee was excused from the meeting while the Board conducted her Performance Review.

While in closed session Executive Director Fick reviewed the Performance Assessment form filled out by Amanda and Executive Director Fick. Board members also provided input on their evaluation of the performance of Operations Manager Lee.

At the conclusion of the closed session discussion of the job performance of the Operations Manager, Mr. Benson asked for Board action on the Resolution Authorizing Performance-Based Salary Increase Under Managerial Plan 2021-2023 for Operations Manager Amanda G. Lee.

A motion was made by Ray Vinzant to approve and accept the Resolution Authorizing Performance-Based Salary Increase Under Managerial Plan 2021-2023. The motion was seconded by Nancy

Sampair. Chair Benson asked if there were any questions, discussion, or changes regarding the Resolution.

Board members noted in discussing the Resolution that they continue to be very appreciative of and pleased with the Operations Manager's job performance. There were no other questions related to the Resolution Authorizing Performance-Based Salary Increase Under Managerial Plan 2021-2023.

Chair Benson called for a Roll Call vote regarding the approval and acceptance of the Resolution Authorizing Performance-Based Salary Increase Under Managerial Plan 2021-2023. A Roll Call vote was conducted, and the Board members voted as follows:

| | | |
|----------------|----------------|-----|
| Board Members: | Gary Benson | Yes |
| | Mikeya Griffin | Yes |
| | Mary Ives | Yes |
| | Mary Thao | Yes |
| | David Rowland | Yes |
| | Nancy Sampair | Yes |
| | Ray Vinzant | Yes |
| | Poawit Yang | Yes |
| | Stacey Holland | Yes |

There were no votes against the motion and the Resolution Authorizing Performance-Based Salary Increase Under Managerial Plan 2021-2023 was approved.

The Board Chair invited Operations Manager Amanda Lee to rejoin the meeting. The Board Chair Informed Operations Manager Lee of the approval by the Board of the Resolution Authorizing Performance Based Salary Increase Under Managerial Plan 2021-2023. Operations Manager Lee thanked the Board for their action.

Chair Benson asked if there were any additional items for discussion from Board members. Board members thanked Operations Manager Lee for her work over the past year.

There were no other items from the Board for consideration at the Closed session of the meeting.

A motion to adjourn the Closed session of the Board meeting was made by Nancy Sampair. The motion to adjourn was supported and seconded by Mary Ives. The Board acted by voice vote to adjourn the meeting at 2:55 pm, Central Time.

Respectfully submitted,

Bany W. Fick

Assistant Secretary






2- Minutes for 18 Jan 2023 FINAL

Final Audit Report

2023-05-02

| | |
|-----------------|--|
| Created: | 2023-05-02 |
| By: | Amanda Lee (agl@mnhefa.org) |
| Status: | Signed |
| Transaction ID: | CBJCHBCAABAAauSAECCCKQdCK34MUnf1PrQV70wnRmYa |

"2- Minutes for 18 Jan 2023 FINAL" History

-  Document created by Amanda Lee (agl@mnhefa.org)
2023-05-02 - 9:29:18 PM GMT- IP address: 47.232.49.72
-  Document emailed to Barry Fick (bwf@mnhefa.org) for signature
2023-05-02 - 9:29:50 PM GMT
-  Email viewed by Barry Fick (bwf@mnhefa.org)
2023-05-02 - 11:35:15 PM GMT- IP address: 47.41.124.129
-  Document e-signed by Barry Fick (bwf@mnhefa.org)
Signature Date: 2023-05-02 - 11:35:26 PM GMT - Time Source: server- IP address: 47.41.124.129
-  Agreement completed.
2023-05-02 - 11:35:26 PM GMT