



The Minnesota Higher Education Facilities Authority (the “Authority” or “MHEFA”) convened a Special Board meeting at 2:30 pm Central Daylight Time, Wednesday, April 26, 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 the Red Cap Room at the Union Depot, Saint Paul, 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 attend the meeting in person, monitor the meeting by calling a toll-free number, and able to connect to the meeting 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 April 26, 2023: Board Actions Taken:

Motions:	Result:	Vote:
Approval of Meeting Minutes of January 18, 2023	Passed	Unanimous

Resolutions	Result:	Vote:
Approve Resolution 04-2023-01 Relating to Application for the Minneapolis College of Art and Design	Passed	Unanimous
Approve Resolution 04-2023-02 Relating to Application for St. Catherine University	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
 Bonnie Anderson Rons - IP
 Mary Ives – IP
 David Rowland - IP
 Nancy Sampair - IP
 Mary Thao – IP

Absent: Mikeya Griffin
 Ray Vin Zant
 Paul Cerkenik
 Poawit Yang

Other Attendees: Mark LeMay, Public – IP

MCAD related: Mary Alma Noonan, MCAD - IP
 Brock Rasmussen, MCAD - V
 Max Wilkinson, Blue Rose - MA - IP

Justin Kreig, Blue Rose - MA- IP
Mia Thibedeau, Bond Counsel – IP

St. Catherine related: ReBecca Roloff, St. Catherine University - IP
David Sengstock, St. Catherine University - IP
Nick Taylor, North Slope MA - V
Peter Cooper, Bond Counsel Taft - IP
Catherine Courtney, Bond Counsel Taft - IP

Staff: Barry W. Fick, Executive Director, MHEFA - IP
Amanda Lee, Operations Manager, MHEFA - IP

Gary Benson, Chair, called the meeting order at 2:30 pm CDT. Executive Director Fick confirmed that a quorum was present.

Agenda Item I – Minutes of the January 18, 2023, Board meeting.

The first item on the agenda is the review and consideration of the minutes of the January 18, 2023, Authority Board meeting.

Chair Benson asked for a motion to accept and approve the January 18, 2023 Minutes. A motion was made by Nancy Sampair to approve the January 18, 2023, 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 January 18, 2023, 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
	Bonnie Anderson Rons	Abstained
	David Rowland	Yes
	Nancy Sampair	Yes
	Mary Thao	Yes

Mary Ives

Yes

There were no votes against the motion and the Minutes of the January 18, 2023, MHEFA Board meetings were approved.

Agenda Item II – Minneapolis College of Art and Design (MCAD) Application for Financing

Chair Benson opened the Public Hearing and asked Ms. Mary Alma Noonan, CFO of Minneapolis College of Art and Design (MCAD), to discuss the proposed financing. The financing is to fund MCAD's acquisition, renovation, furnishing, and refurbishing of an existing apartment building adjacent to the MCAD Minneapolis campus. Acquisition of the property is an integral part of MCAD's plan to require first year students to reside in campus housing.

MCAD has passed a reimbursement resolution allowing them to obtain financing to reimburse themselves for the purchase of the properties and to obtain financing from the Authority for improvements to the facilities to make them suitable for use by MCAD.

The financing for the proposed Series 2023 Note is to be provided by Alerus Financial. They provided financing for the most recent prior MCAD borrowings through the Authority. The terms of the 2023 financing will be similar to the terms of the prior financings. The primary difference will be that the Series 2023 Note will be secured by a mortgage on the acquired property and on certain other MCAD owned real estate. The addition of a mortgage for security is to comply with Banking Regulations and the larger size of the Series 2023 Note compared to prior MCAD borrowings through the Authority with Alerus. Ms. Noonan concluded her presentation.

Brock Rasmussen, Facilities VP at MCAD was present by video. Chair Benson asked Mr. Rasmussen if he had any additional information for the Board. Mr. Rasmussen's audio connection was not working, so he was unable to respond to questions, but did note through the chat that Mary Alma Noonan had covered everything and he had nothing to add. Mr. Benson then asked if Mr. Rasmussen was comfortable with the discussion of the project and if he was in favor of the financing request. Mr. Rasmussen responded with two thumbs up on the video feed. Mr. Benson commented that this is a strong endorsement of the other MCAD staff comments and shows substantial support for the Project within MCAD.

Chair Benson asked if there were questions for Ms. Noonan. Chair Benson asked if there were any questions from the Public for Ms. Noonan. There were a number of questions related to the project and options that were considered by MCAD. In addition, Board members asked about student demand and future enrollment. Ms. Noonan provided answers to the questions from the Board that were responsive to Board member questions. After the questions and answers period was concluded, Chair Benson closed the Public Hearing.

Mr. Benson asked Mr. Maxwell Wilkinson, Vice President with Blue Rose Capital Advisors (Blue Rose) and Municipal Advisor to MCAD to discuss the Application Review letter and schedules prepared by Blue Rose. Mr. Wilkinson directed the Boards attention to the MCAD Application Review letter included in the Board packet. Mr. Wilkinson reviewed the proposed borrowing, noting the amount of borrowing will be below the maximum requested by MCAD.

He reviewed and discussed:

- The enrollment history of MCAD
- Reviewed and summarized the outstanding debt of MCAD
- Reviewed compliance with existing financial covenants after adding the Series 2023 debt
- Described the projected effect of the additional mortgage on the finances of MCAD
- Discussed covenants that will be common to all MCAD debt
- Discussed existing negative pledges and noted the Series 2023 financing will comply with the existing negative pledges
- Noted that MCAD has a Moody's credit rating of Baa2, Stable Outlook
- The proposed Series 2023 financing will not be rated as a private bank placement with Alerus Financial.
- Moody's will include the Series 2023 debt in their credit analysis of MCAD.
- Representatives of Moody's will be visiting with MCAD as part of their periodic review of Moody's rated borrowers.

Mr. Wilkinson discussed the project, evaluated the options considered for student housing prior to the decision to acquire the existing building and noted how the current plan is the superior option for MCAD compared to other options considered.

He noted that the Financing plan will be presented at the May meeting of the Authority. Mr. Justin Krieg of Blue Rose Capital Advisors was asked by Mr. Wilkinson to discuss the financial modeling that has been undertaken to determine the likely financial performance of the project when occupied

by students. Mr. Krieg noted that Blue Rose has worked with MCAD to develop proforma financial models to verify the project will be financially successful under reasonable assumptions related to occupancy and operating expense estimates. He outlined the projected financing size and the likely Security for the Series 2023 Notes. He noted that the current projections show the project being self-supporting from project revenues under both a base case and various stress tested financial scenarios. Mr. Krieg then turned the presentation back to Mr. Wilkinson.

Mr. Wilkinson concluded the analysis by noting that “...in the opinion of Blue Rose Capital Advisors, the proposed borrowing is fiscally viable for the college and that a Note with adequate security can be structured, and the lending terms under consideration will allow MCAD to meet its objectives for the financing.”

The Blue Rose staff asked if there were any questions from Board members. The board asked a number of questions, which were answered to the Board’s satisfaction. It was noted that the Plan of Finance will be considered at the May Authority Board meeting when additional analysis will be presented.

Mr. Benson next called on Ms. Mia Thibodeau, Bond Counsel with the Fryberger Law Firm, to discuss the Application by MCAD. Ms. Thibodeau reviewed the Bond Counsel’s Application Memorandum, noting various items relating to tax law and highlighting a number of items that remained open, but will be completed prior to the financing being closed. Ms. Thibodeau concluded her presentation and asked if there were any questions. There were no questions related to the Application Memorandum.

Chair Benson asked Ms. Thibodeau to review the Resolution relating to the Application. Ms. Thibodeau reviewed the terms of the Application Resolution, which outlines the findings of the Bond Counsel review of the Application for financing. Ms. Thibodeau asked if there were any questions related to the Application Resolution. There were no questions.

At the conclusion of Ms. Thibodeau’s presentation, Chair Benson asked if there were any questions for Ms. Thibodeau regarding the Resolution related to the Application. There were no questions.

A motion was made by Bonnie Anderson Rons to approve the Resolution relating to the Application for MCAD. The motion to approve the Resolution was seconded by Mary Ives.

Chair Benson called for a Roll Call vote regarding the approval and acceptance of the Resolution related to the Application of MCAD. A Roll Call vote was conducted, and the Board members voted as follows:

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

There were no votes against the motion and the Resolution Relating to the Application for Minneapolis College of Art and Design was approved.

Agenda Item III – St. Catherine University Application for Financing

Chair Benson opened the Public Hearing and asked St. Catherine University President, ReBecca Roloff, to discuss the proposed financing.

Board Member Mary Thao noted that she is the Controller at St. Catherine and will be participating in the discussion of the University’s Application for Financing but will abstain from voting on the financing motions and resolutions that involve St. Catherine’s Series 2023 Revenue Note.

President Roloff outlined the strategic case for the improvements that St. Catherine proposes to construct with note proceeds. The projects include a renovation and updating of Mendel Hall, a science classroom and laboratory facility on the main campus of the University, Housing renovations and creation of living learning spaces in both traditional and apartment style student housing, updating sustainability, infrastructure, and various infrastructure improvements on the University Campus, and implementation of building improvements and renovations to execute parts of the Academic Master Plan for the University. Total cost of the projects is estimated to be \$31.8 million, with \$10.8 million funded from a combination of Donor, Gift, and University funds. The amount expected to be borrowed is \$21 million.

The University conducted a request for proposal process to select a financial institution and type of financing. Based on the RFP process, the University has selected the firm of Morgan Stanley to

provide the financing through a direct purchase Note. The terms of the financing are being negotiated and will be presented at the May Authority meeting for consideration by the Authority Board.

President Roloff outlined the process used in determining what project to pursue and noted that the mission of the University is to empower women to learn and lead. The projects included in the financing request are all focused on helping the University achieve its mission.

President Roloff discussed enrollment, both past, present, and future projections, noting that COVID has affected the University's enrollment and they are seeing improved enrollment at the undergraduate level for fall 2023. She discussed academics at the University and how the Strategic Plan adopted by the University matches with the improved facilities to be realized through the projects to be funded with the Series 2023 financing.

David Sengstock, Interim CFO during the permanent CFO's temporary medical leave, added information for the Board about the demonstrated need for the projects and how the improvements will assist the University in attracting and retaining students, as well as equipping them for the world after College.

Mary Thao, Controller at St. Catherine's (and MHEFA Board member) noted how the projects fit in with the strategic plan adopted by the University.

At the conclusion of the presentation, Chair Benson asked the Board if there were any questions. Board members had a number of questions about enrollment, how the University would deal with continued lower enrollment, use of funds on hand if needed for debt service and general questions about the University. President Roloff responded to the Board members questions and the Board members were pleased with her response.

Mr. Benson then closed the Public Hearing and called on Nick Taylor, Managing Director of North Slope Capital Advisors (North Slope) to discuss the Application review conducted by North Slope. Mr. Taylor appeared by video link and guided the Board through the Financing Application Review letter. Mr. Taylor outlined the projects to be financed, the summary of the financing terms (final terms and conditions to be provided in May) and reviewed the Credit Profile for St. Catherine University.

Mr. Taylor reviewed enrollment and a brief history of the University. He summarized financial operations for a 5-year period, noting that the University has strong cash flow and generated positive financial results for the prior 5 years, excluding FY22, which showed a modest operating deficit. Mr. Taylor noted that the debt of the University is all fixed rate, and that the addition of the proposed new debt will increase the debt by approximately 30%.

The University will obtain a credit rating from Moody's Investors Service for the Series 2023 Note. The University has a credit rating of Baa1, stable outlook. Moody's visited campus the day prior to the Authority meeting and will have a rating call on Thursday, May 4.

Mr. Taylor discussed the structure proposed for the financing. It is to be a fixed rate bank placement with Morgan Stanley. The Note will be amortized over 30 years and will be a general obligation of the school. There will not be a mortgage or security interest in any University property. In addition, there will not be a debt service reserve, nor will a negative pledge be required from the University. There will be a debt service coverage requirement, which is being negotiated with Morgan Stanley. A full description of the final structure will be presented at the May Authority meeting.

Mr. Taylor concluded his presentation and noted that based on North Slope's analysis, they are of the opinion that a borrowing in the amount required to achieve the purposes outlined in the Application is fiscally feasible and a bond with adequate security can be structured.

Mr. Benson asked if Board members had any questions for Mr. Taylor. Board members asked questions about enrollment, which President Roloff answered. There were no other questions for Mr. Taylor.

Chair Benson next asked Peter Cooper, Bond Counsel from the Taft law firm, to discuss the Bond Counsel Application Memorandum. Mr. Cooper noted that he was accompanied by Catherine Courtney, a fellow attorney at the Taft firm. Mr. Cooper recently moved to the Taft firm and the Authority worked with the Minnesota Attorney General's office to qualify Taft for bond counsel work on behalf of the Authority. Mr. Cooper walked the Board through the terms and findings of the Application Review. He noted that a number of items remain incomplete but will be resolved by the next meeting of the Authority Board.

Mr. Cooper noted items specifically applicable to the University due to outstanding financings and noted that Bond Counsel will want to make sure that no Catholic Church or Sisters of St. Joseph of

Carondelet is required to complete the financing. Mr. Cooper noted that arbitrage issues will need to be considered as well as potential private use of the project facilities in future years. Mr. Cooper concluded his review of the Application memo and asked if there were any questions. There were no questions and Chair Benson asked Mr. Cooper to review the Resolution related to the Application of St. Catherine University.

Mr. Cooper reviewed the specifics of the Resolution, noting the Authority is following proper procedure for the financing and that the projects appear to be eligible for financing by the Authority. Mr. Cooper noted that the Resolution calls for additional information about the financing to be presented at a future meeting before final approval by the Board may be considered. Mr. Cooper Mr. Cooper asked if there were any questions from the Board. There were none.

At the conclusion of Mr. Cooper's presentation, Chair Benson asked if there were any questions for Mr. Cooper regarding the Resolution related to the Application. There were no questions.

A motion was made by David Rowland to approve the Resolution relating to the Application for St. Catherine University. The motion to approve the Resolution was seconded by Nancy Sampair.

Chair Benson called for a Roll Call vote regarding the approval and acceptance of the Resolution related to the Application of St. Catherine University. A Roll Call vote was conducted, and the Board members voted as follows:

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

There were no votes against the motion and the Resolution Relating to the Application for St. Catherine Univeristy was approved.

Agenda Item IV – 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 V – New Business

Chair Benson asked if there were any New Business items from Board members for discussion. Nancy Sampair noted that the 35th Annual Finance Conference, held earlier in the day on April 26, 2023, was a "great conference" and noted the variety of speakers and helpful information presented.

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

Agenda Item VI – 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 legislation is on hold, likely for the rest of the 2023 legislative session. We passed through the Senate and two House Committees, but in the Health Committee we experienced some misunderstanding about the reach of our legislation and consequently our legislation is on hold, likely until next year.

Rating Agency Update

- Moody's Investors Service will visit 6 schools during their time in Minnesota for the Finance Conference
- Executive Director Fick will meet with Moody's staff in NYC later in 2023 speak with the Moody's higher education staff and record a podcast

Borrower Assistance and Financing Application Update

- In addition to the schools whose applications were heard at today's meeting, we are engaged in preliminary discussions with two other schools about financing projects later in the calendar year 2023 or in early 2024, which includes the Fiscal Year 2024.
- We are collaborating with multiple schools on Moody's rating updates.
- We completed our support to schools in their compliance with Continuing Disclosure obligations for FY22.

Borrower Staffing Update

There have been a number of personnel changes since the last Authority meeting. You are encouraged to review the Authority website regularly to see the latest news about Authority borrowers.

- The St. Olaf Vice President and CFO, Janet Hanson, will retire on May 31, 2023.
- St. Olaf has recently announced a new President, Susan Rundell Singer. She will take office in June of 2023.
- The President of Hamline University, Dr. Fayneese Miller has announced her retirement effective June 30, 2024.
- The Provost of St. Catherine University has been named President of North Central College in Naperville, Illinois.
- The Mitchell Hamline School of Law Dean, Anthony Niedwiecki, will retire in June 2024.

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.

Other

Executive Director Fick was re-elected President of NAHEFFA for a two-year term at the Spring 2023 NAHEFFA conference held in Washington DC.

The Authority website won an award through BondLink for "Best Digital Transformation". The award was voted on by an independent group of investors and market participants.

Executive Director Fick will be speaking at the Bond Buyer Infrastructure conference in September and at the GFOA National Conference in May. He is also attending the SEC Muni Summit in early May, to be held in Washington DC.

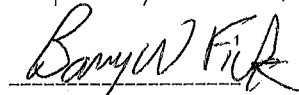
Various

Chair Benson asked Operations Manager Lee to discuss the Budget vs. Actual Report for the period from January 1, 2023 through March 31, 2023. 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.

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. The motion to adjourn the Board meeting was made by Nancy Sampair and seconded by Bonnie Anderson Rons.

Chair Benson called for a voice vote regarding the adjournment of the regular meeting. A Voice vote was conducted, and the Board members voted to adjourn the regular meeting at 4:22 pm, Central Time.

Respectfully submitted,



Assistant Secretary