



The Minnesota Higher Education Facilities Authority (the “Authority” or “MHEFA”) convened a Special Board meeting at 2:00 pm Central Daylight Time, Wednesday, June 21, 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 lower-level Conference Room at 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 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, as did Board member Nancy Sampair, meeting the non-pandemic requirements of one member attending in-person.

Executive Summary – Minnesota Higher Education Facilities Authority

Meeting on June 21, 2023 Board Actions Taken:

Motions:	Result:	Vote:
Approval of Meeting Minutes of May 17, 2023	Passed	Unanimous
Approve the proposed FY2024 Authority Budget	Passed	Unanimous
Approve the FY2024 Annual Fee Discount Recommendation	Passed	Unanimous
Approve the Slate of Authority Board Officers for FY2024	Passed	Unanimous

Resolutions	Result:	Vote:
Approve Resolution Relating to Financing Terms for St. Catherine University, Series 2023 Bonds	Passed	Unanimous
Approve Series Resolution Relating to St. Catherine University Series 2023 Bonds	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
 Nancy Sampair - IP
 Mary Ives – V
 David Rowland – V (2:35)
 Mary Thao – V
 Poawit Yang - V
 Ray Vin Zant - V

Absent: Bonnie Anderson Rons
 Paul Cerkenik

Other Attendees:

St. Catherine related: Nick Taylor, North Slope – V

Stephanie Chichester, North Slope – V
Peter Cooper, Taft Law – IP
Catherine Courtney, Taft Law – IP
Laura Janke, RBC Cap Mkts - V

Staff: 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 May 17, 2023, Board meeting.

The first item on the agenda is the review and consideration of the minutes of the May 17, 2023, Authority Board meeting.

Chair Benson asked for a motion to accept and approve the May 17, 2023 Minutes. A motion was made by Ray Vin Zant to approve the May 17, 2023, minutes. The motion was seconded by Mary Thao. Chair Benson asked if there were any questions, discussion, or changes to the minutes of the May 17, 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
	David Rowland	Yes
	Mary Thao	Yes
	Mary Ives	Yes
	Nancy Sampair	Abstain
	Ray Vin Zant	Yes
	Mikey Griffin	Yes

There were no votes against the motion and the Minutes of the May 17, 2023, MHEFA Board meetings were approved.

Agenda Item II – Summary of Performance Review of Executive Director Barry Fick

“A performance review of Executive Director Barry Fick was conducted during a closed session of the MHEFA Board on May 17th. The board discussed Barry’s performance for the past year, decided on a performance rating, and complimented Barry for his work at the Authority.”

Chair Benson asked if there were any questions, comments, or additional thoughts from Board members about the Performance Review of the Executive Director. Board members affirmed the accuracy of Chair Benson’s statement and noted with approval the work that Mr. Fick has conducted for the Authority and the private colleges and universities the Authority serves.

Agenda Item III – St. Catherine University Finance Plan and Series Resolution

Chair Benson asked Mr. Nick Taylor and Ms. Stephanie Chichester, both of North Slope Capital Advisors, serving as financial advisor to St. Catherine University (the “University”), to discuss the proposed financing plan. The financing is to fund renovations to Mendel Hall; renovating living and learning spaces with apartment and traditional housing; upgrading the academic learning and student experience spaces; improving the sustainability and efficiency of the University by modernizing its infrastructure and technology, all on the University’s St. Paul campus, and to fund up to 6 months of capitalized interest and pay costs of issuance.

The Series 2023 Bonds will be issued as a public sale, on a negotiated basis. RBC Capital Markets will be the sole underwriter for the Series 2023 Bonds. The Series 2023 Bonds will be structured as a combination of serial and term bonds. The principal will be structured so that when added to principal payments of outstanding debt, will result in somewhat level annual debt service.

Security for the Series 2023 Bonds will be a general obligation pledge by the University to charge fees and tuition sufficient to generate funds to pay debt service. There are no financial covenants related to the Series 2023 Bonds. There is no debt service reserve for the Series 2023 Bonds. The initial interest payment is expected to occur on October 1, 2023 and the initial principal payment is expected to occur on October 1, 2026. The final maturity is expected to be October 1, 2052.

The Bonds are rated by Moody's Investors Service. Moody's has assigned a rating of Baa1 with a negative outlook to the Bonds.

The Series 2023 Bonds are expected to be sold on June 28, 2023, with a closing on July 18, 2023.

Chair Benson also asked if there were questions for the North Slope representatives. There were a number of questions related to the project and options that were considered by the University. Mr. Taylor and MS Chichester provided answers to the questions from the Board that were responsive to Board member follow-up questions. After the questions and answers period was concluded, Chair Benson closed the Public Hearing.

Mr. Benson next called on Mr. Peter Cooper, Bond Counsel with the Taft Law Firm, to discuss the Resolution Related to Finance Terms for the Series 2023 Bonds. Mr. Cooper referred the Board members to the Resolution. Mr. Cooper described the various sections of the Resolution, noting that the Resolution establishes parameters for the bonds to be issued and authorizes the Authority, working with the University, its advisors, and the Underwriter, to proceed with the sale of the Bonds. The Resolution also authorizes the distribution of an Official Statement to provide investors with information to be used by them to make an investment decision.

After Mr. Cooper concluded his review of the Resolution, Chair Benson asked if there were any questions. There were no questions from Board members. Mr. Benson then called for consideration of the Resolution Relating to Financing Terms for St. Catherine University.

A motion to approve the Financing Terms Resolution was made by Nancy Sampair. The motion was seconded by Ray Vin Zant. Mr. Benson called on the Executive Director to conduct a roll call vote on the Resolution. A roll call vote was conducted, and the Board members voted as follows:

Gary Benson	Yes
Mary Ives	Yes
Mary Thao	Abstain
Mikeya Griffin	Yes
Ray Vin Zant	Yes
Nancy Sampair	Yes
Poawit Yang	Yes

There were no votes against the Resolution Related to Finance Terms and the Resolution was approved.

Chair Benson asked Mr. Cooper to report on the Series Resolution for St. Catherine.

Series Resolution for the University. Mr. Cooper reviewed the Bond Counsel's Series Resolution Private Placement Program Resolution and memorandum, noting various items relating to tax law and highlighting a number of items that are pertinent to the financing.

Mr. Cooper noted that the Series Resolution includes the following elements:

- Outlines the parameters under which the Authority may issue the Bonds
- Recites the documents related to the Series 2023 Bonds
- Recites the authorization of the Authority to issue the Bonds
- Approves and authorizes execution of all required documents related to the Bonds
- Approves terms of the Notes and authorizes delivery of the Bonds
- Ratifies prior actions of the Authority related to the Bonds

Mr. Cooper concluded his presentation and asked if there were any questions. There were no questions related to the Series Resolution.

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

A motion was made by Nancy Sampair to approve the Series Resolution relating to the Series 2023 Bonds for St. Catherine University. 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 Series Resolution related to the Series 2023 Bonds for St. Catherine University. A Roll Call vote was conducted, and the Board members voted as follows:

Gary Benson	Yes
Mary Ives	Yes
Mary Thao	Abstain

Mikeya Griffin	Yes
Ray Vin Zant	Yes
Nancy Sampair	Yes
Poawit Yang	Yes

There were no votes against the motion and the Series Resolution Relating to the Series 2023 Bonds for St. Catherine University was approved.

Nick Taylor and Steph Chichester of North Slope, Laura Janke of RBC, and Peter Cooper and Catherine Courtney of Taft excused themselves from the meeting.

Agenda Item IV – FY2024 Administrative Items

FY2024 Proposed Budget

Chair Benson asked Operations Manager Amanda Lee to present and review the proposed FY24 Budget. Operations Manager Lee noted that the Board annually reviews the next fiscal year budget prepared by staff, adjusts the budget if it feels appropriate, and approves a budget for the coming Fiscal Year.

The FY2024 proposed budget shows an operating deficit. This is the result of revenues being lower than projected earlier and reflects the most current thinking on the size and number of bond issues to be undertaken in FY2024. Expenses are projected based on experience and projected compensation increases provided by Minnesota Management and Budget. The proposed FY2024 budget is conservative as a number of future expenses are not susceptible to accurate projections. In these cases, the estimated cost is adjusted to reflect the high side of a projected expenditure.

The operating deficit can be covered by either an adjustment to reduce the Authority fee discount or to use retained funds to pay expenses that exceed revenues. In addition, the Authority has prudently managed expenses in prior years, resulting in available funds for FY2024.

Mr. Benson asked if there were any questions about the FY2024 Budget. Board members asked about some of the line items in the budget, inquired about capital asset needs of the Authority and

about the process used to develop the budget. Staff answered the questions to the satisfaction of Board members and there were no additional questions about the FY2024 Budget.

Chair Benson asked Operations Manager Lee to discuss the staff recommendation for the FY2024 Fee discount. Ms. Lee noted that the Authority reviews multiple fee options to determine their effect on the operations of the Authority. She noted that the Authority has used a fee discount of 65% since 2017. This represents the longest term the Authority has been able to maintain a consistent fee discount.

The ability to maintain a consistent fee discount provides budgeting certainty for Authority borrowers. In the face of rising costs, Authority staff have been able to maintain the 65% fee discount through prudent management and timing of capital expenditures.

Ms. Lee noted that a fee discount of 59.22% would result in a balanced budget for FY2024, based on the operating budget presented. Staff recommends keeping the fee discount at 65%, and absorbing losses with accumulated funds or by reducing the investment portfolio.

Chair Benson asked for a motion to approve the FY2024 Fee discount at 65%.

A motion was made by Nancy Sampair to approve the FY2024 Fee discount of 65%. The motion to approve the Resolution was seconded by David Rowland.

Chair Benson called for a Roll Call vote regarding the approval and acceptance of the FY2024 Fee Discount of 65%. A Roll Call vote was conducted, and the Board members voted as follows:

Gary Benson	Yes
Mary Ives	Yes
Mary Thao	Yes
Mikeya Griffin	Yes
Ray Vin Zant	Yes
Nancy Sampair	Yes
Poawit Yang	Yes

There were no votes against the motion and the FY2024 Fee Discount of 65% was approved.

Mr. Benson asked Operations Manager Lee and Executive Director Fick to discuss and present the proposed slate of Board officers for FY2024. It was noted that the Board annually elects 3 officers for the Board. They are the Chair, Vice-Chair and Secretary. For FY2024, Authority staff recommends the election of the following individuals:

Chair	David Rowland
Vice-Chair	Nancy Sampair
Secretary	Bonnie Anderson Rons

The staff has discussed with each of these individuals their interest in serving as an officer of the Authority Board. All of them have expressed a strong interest in serving in their respective positions on the Board for FY2024.

The goal of the staff in searching for Board Officers is to rotate members so everyone will have an opportunity to serve as a Board Officer. In addition, we strive to not overly burden Board members with multiple years or terms of service and look for the opportunity to bring to an officer position Board members who have either not previously been an officer or who have not recently been an officer on the Authority Board.

Chair Benson asked if Board members had questions for either the nominees or staff about the process or the persons nominated for officer positions. There were no questions or comments.

Chair Benson asked for a motion to approve the FY2024 Board Officer Slate of Candidates. A motion was made by Gary Benson to approve the FY2024 Board Officer Slate of Candidates. The motion to approve the Resolution was seconded by Ray Vin Zant.

Chair Benson called for a Roll Call vote regarding the approval and acceptance of the FY2024 Board Officer Slate of Candidates. A Roll Call vote was conducted, and the Board members voted as follows:

Gary Benson	Yes
Mary Ives	Yes
Mary Thao	Yes
Mikeya Griffin	Yes
Ray Vin Zant	Yes

Nancy Sampair	Yes
Poawit Yang	Yes

There were no votes against the motion and the FY2024 Board Officer Slate of Candidates was approved.

Agenda Item V – 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 VI – New Business

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

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

Agenda Item VII – Other Business

Chair Benson called upon Executive Director Fick to discuss Other Business.

Mr. Fick noted that this would be Gary Benson's term as Chair of the Authority Board concludes on June 30, 2023. Mr. Fick expressed his appreciation for Gary's service as Chair and noted that the Authority has recommended that Gary be reappointed to the Board as the Board member with expertise in construction and building.

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

Mr. Fick noted he will be meeting with our legislative advisors on June 23 to discuss options for the 2024 legislative session.

Rating Agency Update

- Moody's Investors Service plans to conduct rating updates with a number of schools. We are working with the schools to prepare material for the update calls

Borrower Assistance and Financing Application Update

- We will be bringing Carleton's financing application to the Board in July for a Public Hearing, Application Review and Series Resolution consideration
- We are engaged in preliminary discussions with other schools about financing projects in the calendar year 2024 and 2025
- We continue collaborating with multiple schools on Moody's rating updates for during the summer of 2023

Borrower Staffing Update

No additional updates

Various

The Authority staff had a good discussion with our auditors at BerganKDV about the merger of the firm into Creative Planning LLC. We have been assured that there should be no change to our professional relationship with BerganKDV. The plan is for BerganKDV to be operated as a wholly owned subsidiary of Creative Planning LLC.

The Minnesota private colleges and universities are working on plans to accommodate the North Star Promise program, which provides full tuition assistance for attendance at public Minnesota colleges and universities if the student meets certain financial and academic requirements. The North Star Promise program is effective for Fall 2024.

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 Board Meeting. The motion to adjourn was made by Mary Ives and the second provided by Nancy Sampair. The Board acted by voice vote to adjourn the meeting at 2:53 pm, Central Daylight Time.

Respectfully submitted,

Bany W. Fick

Assistant Secretary

5- Minutes for 21 Jun 2023 FINAL

Final Audit Report

2023-07-28

Created:	2023-07-28
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"5- Minutes for 21 Jun 2023 FINAL" History

-  Document created by Amanda Lee (agl@mnhefa.org)
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