



The Minnesota Higher Education Facilities Authority (the “Authority” or “MHEFA”) convened a Special Board meeting at 2:05 pm Central Standard Time, Wednesday, January 17, 2024.

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 of Grand Oak I, 860 Blue Gentian Road, Eagan, MN 55121. Operations Manager Amanda Lee was physically present. Also present were David Rowland, Chair, and Gary Benson, Board Member. The location and time of the meeting was duly published and posted on the Authority website and at the entrance to the Authority office, located at 860 Blue Gentian Road, Suite 145, Eagan, MN 55121.

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.

Executive Summary – Minnesota Higher Education Facilities Authority

Meeting on January 17, 2024 Board Actions Taken:

Motions:	Result:	Vote:
Approval of Meeting Minutes of December 13, 2023	Passed	Unanimous

Resolutions	Result:	Vote:
Resolution Relating to Application for St. Olaf College	Passed	Unanimous
Resolution Relating to Application for the University of St. Thomas	Passed	Unanimous
Resolution Authorizing General Salary Adjustment Effective July 1, 2023, under Managerial Plan 2023-2025	Passed	Unanimous
Resolution Authorizing Performance Based Salary Increase Effective February 1, 2024, under Managerial Plan 2023-2025	Passed	Unanimous

The official meeting began with a roll call to establish a quorum. The following board members or their designees were participating and attending in-person (IP), by video link (“V”) or telephone (“T”):

Board Members: David Rowland – IP
 Bonnie Anderson Rons -V
 Nancy Sampair - V
 Gary Benson - IP
 Mary Ives – V
 Mary Thao – V
 Mikeya Griffin – V
 Paul Cerkvenik - V

Absent: Poawit Yang
 Ray Vin Zant

Other Attendees: Mark Vangsgard, University of St, Thomas - V
 Wade Holmberg, University of St Thomas – V
 Nate Engle, St. Olaf College – V
 Angela Mathews, St. Olaf College - V
 Peter Cooper, Taft Law firm – V
 Catherine Courtney, Taft Law firm – V
 Nick Taylor, North Slope Capital Advisors – V

Stephanie Chichester, North Slope Capital Advisors – V
Mark LeMay, public – IP
Laura Janke, public – V

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

David Rowland, Chair, called the meeting order at 2:05 pm CST. Executive Director Fick confirmed that a quorum was present.

Agenda Item I – Minutes of the December 13, 2023, Board meeting.

The first item on the agenda is the review and consideration of the minutes of the most recent prior Authority Board meeting.

Chair Rowland asked for a motion to accept and approve the December 13, 2023 Minutes. A motion was made by Nancy Sampair to approve the December 13, 2023 minutes. The motion was seconded by Mary Ives. Chair Rowland asked if there were any questions, discussion, or changes to the minutes of the most recent prior Board meeting.

There were no other questions or proposed changes to the minutes from Board members.

Chair Rowland 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:	David Rowland	Yes
	Bonnie Anderson Rons	Yes
	Nancy Sampair	Yes
	Gary Benson	Yes
	Mary Ives	Yes
	Mary Thao	Yes
	Mikeya Griffin	Yes

There were no votes against the motion and the Minutes of the December 13, 2023, MHEFA Board meetings were approved.

Agenda Item II – Application for Financing from St. Olaf College

Chair Rowland opened the Public Hearing and introduced the St. Olaf College representatives, Nate Engle, and Angela (Angie) Mathews, to present the request of the college for assistance in financing portions of three projects on the College's Northfield campus.

Angie Mathews presented an outline of the projects that the college is seeking assistance to finance. She noted that the college is requesting \$25 million of assistance. The financing would be in the form of a private placement Note provided by JP Morgan Chase Bank. The college conducted a Request for Proposal process to select a provider for the proposed financing. The college received multiple responses and selected JP Morgan Chase Bank as the preferred provider.

The three projects include the renovation of an existing residence hall, the relocation and improvements to various buildings, and improvements to campus facilities infrastructure.

One project is to renovate the Hilleboe/Kittlesby Residence Hall to expand bathrooms, lounges and reduce housing density. The renovations will enhance student comfort and learning spaces.

A second project is to relocate facilities equipment storage to avoid the need to move equipment across a state highway. This will improve the safety of college staff and equipment. The college will construct a new building on campus to support facilities operation and store equipment.

The third project consists of multiple upgrades to electrical, chilled water capacity, plumbing modernization and other building system needs. The improvements are needed to keep pace with expanded facilities on the campus.

At the conclusion of her presentation, Chair Rowland asked if there were any questions from the Board about the application. There were no questions and Chair Rowland closed the Public Hearing.

He then asked North Slope Capital Advisors to present their Application Report. Steph Chichester of North Slope referred the Board members to the Application Review letter from North Slope dated January 17, 2024. She noted that it is the opinion of North Slope that a borrowing in the amount required to achieve the purposes outlined by the college is fiscally feasible and a bond with adequate security can be structured.

In support of this conclusion, Ms. Chichester discussed the contents of the North Slope Financial Review letter. She noted the stable enrollment trend of the college, the strong operating financial results and the strong balance sheet of the college as indicative of the ability of the college to repay the requested amount of financing.

She noted that the proposed financing will increase total college debt by 21.6%, which will be offset by robust liquidity and strong operating cash flow to support the additional debt service.

She noted that proceeds from the financing will be used to fund approximately 1 year of interest, the cost of issue and the remaining Note proceeds will fund project costs. Security for the Note repayment is the same as on outstanding college debt, including a revenue/expenditure test, a debt service coverage requirement, and an additional bonds test. North Slope independently calculated that the college complies with the financial covenants after including the proposed financing,

North Slope noted that the Moody's credit rating of the college was affirmed in November 2023. It was also noted that Moody's included the proposed amount of the requested financing in their credit analysis that affirmed the credit rating of the college.

North Slope concluded their Application Review presentation and asked for questions. There were no questions and Chair Rowland then called on Taft Law Firm as bond counsel to review their application memorandum.

Catherine Courtney, a partner at Taft Law Firm, directed the attention of the Board to the Application Review Memorandum dated January 9, 2024. Ms. Courtney reviewed the paragraphs of the Application Review memorandum, noting there are some incomplete items, which will be completed before final Board consideration of the financing.

Additional observations looked at the compliance with financial covenants, tax limitations on tax-exempt bonds including establishment of religion matters. Ms. Courtney noted that their analysis concluded that except for a small item that can be remedied, there is no issue with Establishment of Religion clause limitations.

Ms. Courtney discussed arbitrage rebate, exceptions to rebate liability, compliance with reimbursement rules for construction costs, private use of the properties to be constructed or renovated with Note proceeds, and other relevant items for consideration in the financing documents.

The Application Memorandum review concluded, and Ms. Courtney asked if Board members had any questions. There were no questions and Chair Rowland asked Ms. Courtney to review the Resolution Relating to Application for St. Olaf College.

Ms. Courtney directed the Board to the Resolution and outlined the components of the Resolution, which recite the steps taken to date on the financing process and noted that approval of the Resolution by the

Authority affirms the findings of the Resolution that the application by the college complies with the requirements for the Authority to provide financing under the Minnesota statutes governing the Authority. Pursuant to the Resolution, the Authority finds that the issue of revenue obligations appears feasible, based on the report of the Municipal Advisor. The Resolution authorizes the project team to complete the required documentation to complete the financing and submit the documentation to the Authority for approval at a subsequent meeting of the Authority.

The Resolution review concluded, and Ms. Courtney asked for questions. There were no questions from Board members or the public.

Chair Rowland asked for a motion and second for the Resolution Relating to Application for St. Olaf. A motion to consider the Resolution was made by Gary Benson. The motion was seconded by Bonnie Anderson Rons. Chair Rowland asked Executive Director Fick to conduct a roll call vote.

Mr. Rowland 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:

David Rowland	Yes
Bonnie Anderson Rons	Yes
Nancy Sampair	Yes
Gary Benson	Yes
Mary Ives	Yes
Mary Thao	Yes
Mikea Griffin	Yes

There were no abstentions or votes against the Motion and the Resolution relating to Application for St. Olaf College was approved.

Agenda Item III – Application for Financing from the University of St. Thomas

Chair Rowland introduced the University of St. Thomas representatives, Mark Vangsgard and Wade Holmberg, to present the request of the University for assistance with financing a multi-purpose athletics arena for basketball and hockey, to be known as the Anderson Center. The financing request also includes a refinancing of the outstanding Series Seven-Z Bonds.

Chair Rowland opened the public hearing and asked Mr. Vangsgard to discuss the University's request. Mr. Vangsgard thanked the Authority for their past support and bond issuance on behalf of the University. He noted that the University has received an occupancy permit for the new STEAM facility that was financed

with proceeds from the Series 2022 bonds issued by the Authority for the University. Mr. Vangsgard discussed the University's reasons for pursuing the project, including the previous decisions to move from Division III to Division I in NCAA Athletics. He noted that some of the reasons for the move were to increase the national profile of St. Thomas. This will help enrollment long-term and allow the University to reach a larger potential pool of applicants. It is expected that the project will help reduce the discount rate the University must offer, by increasing demand for a limited number of spaces at the University. It will also integrate with current and future academic programs offered by the University, enhancing opportunity and experience for students.

He noted that there are a number of challenges, including some opposition by neighbors. He expressed confidence that the challenges can be managed successfully and noted that St. Thomas has conducted numerous studies that show the challenges are no greater than have been managed in the past and plans are in process to manage any future challenges as well. The University is experienced in dealing with the issues presented by large events on campus and confident in their ability to manage them in the future.

Mr. Vangsgard concluded his presentation and asked if there were questions about the project request. Board Member Bonnie Anderson Rons asked about the length of the construction period.

There were no further questions and Mr. Rowland closed the Public Hearing. He then asked North Slope Capital Advisors to present their Application Report. Nick Taylor of North Slope referred the Board members to the Application Review letter from North Slope dated January 17, 2024. He noted that it is the opinion of North Slope that a borrowing in the amount required to achieve the purposes outlined by the university is fiscally feasible and a bond with adequate security can be structured.

In support of this conclusion, Mr. Taylor discussed the contents of the North Slope Financial Review letter. He noted that Fall 2023 enrollment has increased since declining in 2020-2022 and that Fall 2024 is trending to show another strong year of increasing enrollment. He noted that university operating results have been modest, but that net assts have increased, with strong gifts and contributions.

He noted that the proposed financing will increase total college debt by 48%, which will be offset by a good level of liquidity. The debt service as a percentage of operations is likely to increase but will not be excessive and the university's history of fundraising should result in good ability to fund the additional debt service.

The structure of the financing is under discussion and will be finalized in the next weeks. The finance plan will be presented at the February 2024 Board meeting. The financing is likely to include multiple series, including a taxable and a tax-exempt series, along with a refunding component.

He noted that proceeds from the financing will be used to fund approximately 1 year of interest, the cost of issue and the remaining Bond proceeds will fund project costs or refund the outstanding Seven-Z Bonds. Security for the Bond repayment is the same as on outstanding university debt, meaning the university is not subject to any debt covenants, pledges or encumbrances,

North Slope noted that the university expects to apply for a Moody's credit rating on the Series 2024 Bonds. The credit process will occur in February. The university may also explore a "Green bond" designation for a portion of the bond issue, similar to what was done with the 2022 bonds.

North Slope concluded their Application Review presentation and asked for questions. Bonnie Anderson Rons asked about the possible consequences if enrollment does not increase as projected. Mr. Vangsgard replied that based on the conservative assumptions used in the university analysis, the university is confident in their ability to meet revenue targets.

Chair Rowland asked about the possible use of taxable bonds. Mr. Holmberg noted that there will be private use and support through concessions, media, advertising, and similar operations. The university has undertaken significant analysis of the extent of private use or support and identified the likely amount of debt which needs to be issued as taxable debt to maintain compliance with IRS rules.

There were no other questions and Chair Rowland then called on Taft Law Firm as bond counsel to review their application memorandum.

Peter Cooper, of counsel at Taft Law Firm, directed the attention of the Board to the Application Review Memorandum dated January 9, 2024. Mr. Cooper reviewed the paragraphs of the Application Review memorandum, noting there are some incomplete items, which will be completed before final Board consideration of the financing.

Additional observations looked at the limitations on tax-exempt bonds including establishment of religion matters. Mr. Cooper noted that their analysis concluded that except for a small item that can be remedied, there is no issue with Establishment of Religion clause limitations.

Mr. Cooper discussed arbitrage rebate, exceptions to rebate liability, compliance with reimbursement rules for construction costs, private use of the properties to be constructed or renovated with Bond proceeds, and other relevant items for consideration in the financing documents.

Mr. Cooper discussed the legal objections that have been raised related to the project and the litigant's request for additional environmental review. Mr. Vangsgard provided additional information about the

university's compliance with environmental regulations and reiterated the university and university counsels view that the litigation is not likely to succeed.

The Application Memorandum review concluded, and Mr. Cooper asked if Board members had any questions.

Board member Sampair asked for additional background on the claim in the litigation. Mr. Vangsgard indicated that the concerns are primarily parking related, in terms of traffic congestion and availability of parking. As he noted earlier, the university has experience with these issues. In addition, he observed that most student attendees to the games that will take place at the facility are already on campus, reducing the parking and traffic congestion issues.

There were no further questions and Chair Rowland asked Mr. Cooper to review the Resolution Relating to Application for the University of St. Thomas.

Mr. Cooper directed the Board to the Resolution and outlined the components of the Resolution, which recite the steps taken to date on the financing process and noted that approval of the Resolution by the Authority affirms the findings of the Resolution that the application by the university complies with the requirements for the Authority to provide financing under the Minnesota statutes governing the Authority. Pursuant to the Resolution, the Authority finds that the issue of revenue obligations appears feasible, based on the report of the Municipal Advisor. The Resolution authorizes the project team to complete the required documentation to complete the financing and submit the documentation to the Authority for approval at a subsequent meeting of the Authority.

The Resolution review concluded, and Mr. Cooper asked for questions. There were no questions from Board members or the public.

Chair Rowland asked for a motion and second for the Resolution Relating to Application for the University of St. Thomas. A motion to consider the Resolution was made by Nancy Sampair. The motion was seconded by Mary Ives. Chair Rowland asked Executive Director Fick to conduct a roll call vote.

Mr. Rowland 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:

David Rowland	Yes
Bonnie Anderson Rons	Yes
Nancy Sampair	Yes
Gary Benson	Yes
Mary Ives	Yes

Mary Thao	Yes
Mikea Griffin	Yes

There were no abstentions or votes against the Motion and the Resolution relating to Application for the University of St. Thomas was approved.

Agenda Item III – Old Business

Chair Rowland 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 IV – New Business

Chair Rowland asked if there were any New Business items from Board members for discussion and called on Executive Director Fick to discuss a recently received communication from Minnesota Management and Budget (“MMB”). In a memorandum dated January 16, 2024, MMB informed all State of Minnesota Agencies that MMB will implement salary adjustments for employees under the Managerial Plan. MHEFA Employees are employed under the Managerial Plan.

In addition, MMB published the 2023-2025 Managerial Plan Handbook. The salary adjustments for managerial employees are the same as previously negotiated between the State of Minnesota and union employees of the State of Minnesota.

The salary adjustments will be retroactive to July 1, 2023, the beginning of Fiscal Year 2024. The salary adjustments and retroactive pay will be reflected in the first paycheck to be received in February 2024.

To officially adopt the salary adjustments, the Authority must notify the Human Resources division of MMB. This notification is accomplished by adoption of a Resolution Authorizing a general salary increase under the 2023-2025 Managerial Plan. A Resolution (01-2024-03) Authorizing the adoption of the MMB salary adjustment was distributed to Board members. The resolution matches the MMB salary adjustment of 5.5% for FY24. The resolution applies to both MHEFA employees.

Executive Director Fick asked the Board to approve the Resolution 01-2024-03.

Chair Rowland asked for a motion to accept and approve Resolution 01-2024-03. A motion to approve Resolution 01-2024-03 was made by Bonnie Anderson Rons. The motion was seconded by Gary Benson.

Mr. Rowland called on the Executive Director to conduct a roll call vote on Resolution 01-2024-03. A roll call vote was conducted, and the Board members voted as follows:

David Rowland	Yes
Bonnie Anderson Rons	Yes
Nancy Sampair	Yes
Gary Benson	Yes
Mary Ives	Yes
Mary Thao	Yes
Mikeya Griffin	Yes

There were no abstentions or votes against the Motion and Resolution 01-2024-03 was approved.

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

Agenda Item VII – Other Business

Chair Rowland called upon Executive Director Fick to discuss Other Business and present the Executive Directors Report.

Rating Agency Update

- Moody’s Investors Service is conducting rating updates with a number of schools over the next few weeks. We worked with the schools to prepare material and are awaiting the decision of the Credit Committee.
 - Augsburg College – rating update pending
 - Gustavus Adolphus – rating call Jan 24
 - College of St. Benedict – rating call Feb 28

Various

Board members were reminded that the Authority expects to hold a meeting on February 21, 2024 to consider Finance plans and the series Resolutions for St. Olaf and St. Thomas.

Chair Rowland asked if there was any Other Business to come before the Board. There was no Other Business for the Board to consider, and Chair Rowland 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 2023 – January 2024. The motion to adjourn the Board meeting and move to closed session was made by Nancy Sampair and seconded by Bonnie Anderson Rons.

Chair Rowland 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.

During 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. Rowland asked for Board action on the Resolution Authorizing Performance-Based Salary Increase Under Managerial Plan 2023-2025 for Operations Manager Amanda G. Lee.

A motion was made by Nancy Sampair to approve and accept the Resolution Authorizing Performance-Based Salary Increase Under Managerial Plan 2023-2025. The motion was seconded by Bonnie Anderson Rons. Chair Rowland 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 2023-2025.

Chair Rowland called for a Roll Call vote regarding the approval and acceptance of the Resolution Authorizing Performance-Based Salary Increase Under Managerial Plan 2023-2025. A Roll Call vote was conducted, and the Board members voted as follows:

David Rowland	Yes
Bonnie Anderson Rons	Yes
Nancy Sampair	Yes
Gary Benson	Yes
Mary Ives	Yes
Mary Thao	Yes
Mikeya Griffin	Yes

There were no votes against the motion and the Resolution Authorizing Performance-Based Salary Increase Under Managerial Plan 2023-2025 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 2023-2025. Operations Manager Lee thanked the Board for their action.

Chair Rowland 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 and seconded. The Board acted by voice vote to adjourn the executive session and return to open meeting.

There were no other items for the Board to consider. A motion to adjourn the regular board meeting was made by Gary Benson with a second provided by Mary Ives. The Board acted by voice vote to adjourn the meeting at 3:59 pm, Central Standard Time.

Respectfully submitted,

Bary W Fick

Assistant Secretary






4- Minutes for 17 Jan 2024 FINAL - Final following board meeting

Final Audit Report

2024-03-29

Created:	2024-03-29
By:	Amanda Lee (agl@mnhefa.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAApynIYbEUK2dU2yBrF_o5DPiIUENikBI

"4- Minutes for 17 Jan 2024 FINAL - Final following board meeting" History

-  Document created by Amanda Lee (agl@mnhefa.org)
2024-03-29 - 6:06:52 PM GMT- IP address: 47.232.49.72
-  Document emailed to Barry Fick (bwf@mnhefa.org) for signature
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-  Email viewed by Barry Fick (bwf@mnhefa.org)
2024-03-29 - 8:45:07 PM GMT- IP address: 104.47.73.254
-  Document e-signed by Barry Fick (bwf@mnhefa.org)
Signature Date: 2024-03-29 - 8:45:24 PM GMT - Time Source: server- IP address: 47.41.125.139
-  Agreement completed.
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