



The Minnesota Higher Education Facilities Authority (the “Authority” or “MHEFA”) convened a Board meeting at 2:03 pm Central Standard Time, Wednesday, February 21, 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. Executive Director, Barry Fick, and Operations Manager, Amanda Lee, were physically present. Also present were Nancy Sampair, Vice-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.



Laura Janke, public – T  
Melina Chalkia – Bloomberg - T

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

Nancy Sampair, Vice-Chair, called the meeting order at 2:03 pm CST. Executive Director Fick confirmed that a quorum was present.

**Agenda Item I – Summary of the January 17, 2024 Closed Session of the Authority Board**

The closed session of the Authority Board at the January 2024 meeting was for the purpose of reviewing the job performance of the Operations Manager, Amanda Lee. Vice-Chair, Nancy Sampair, reported that the Board rated the Operations Managers performance “Outstanding” and approved the recommended compensation adjustment for the Operations Manager.

**Agenda Item II – Minutes of the January 17, 2024, Board meeting.**

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

Vice-Chair Sampair asked for a motion to accept and approve the January 17, 2024 Minutes. A motion was made by Raymond VinZant to approve the January 17, 2024 minutes. The motion was seconded by Bonnie Anderson Rons. Vice-Chair Sampair asked if there were any questions, discussion, or changes to the minutes of the most recent prior Board meeting.

A request was made to the January University of St. Thomas financing application to remove “Nursing Facility” from the Project Description. Vice-Chair Sampair provided small edits. There were no other questions or proposed changes to the minutes from Board members.

Vice-Chair Sampair 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 Thao	Yes

Raymond Vin Zant

Yes

There were no votes against the motion and the Minutes of the January 21, 2024, MHEFA Board meetings were approved.

### **Agenda Item III – St. Olaf College**

Vice Chair Sampair called on North Slope Capital Advisors to present the Preliminary Financing Plan for St. Olaf College's Series 2024 Private Bank Placement Financing.

Nick Taylor from North Slope directed the Board to the Preliminary Financing Plan letter included in the Board packet. North Slope reviewed the proposed terms of the \$25 million financing, noting that the financing is structured as a private placement revenue Note between JPMorgan Chase Bank, N.A. and the College. The interest payable on the Note will be capitalized from inception through May 31, 2025. Interest payable during this period will be funded from Note proceeds. The Cost of Issuance will also be funded from Note Proceeds. The projects included in the financing will take a number of months to complete. During construction, the unspent proceeds will be held in an interest-bearing account at JPMorgan, where they will earn interest. The current investment rate exceeds the borrowing rate.

Principal on the Note will be payable annually beginning October 1, 2025. The amortization period for the Note is 30 years. There is a mandatory tender date of October 1, 2033. Interest is payable semi-annually on April 1 and October 1. Interest payable to May 31, 2025 is capitalized.

Financial covenants mirror those contained in the outstanding Series Eight-G, Eight-N, and Series 2021 Bonds issued by the Authority for the College.

Since the Series 2024 Note is a private placement, a credit rating is not required, and the College will not apply for a Credit rating. Moody's Ratings affirmed the credit rating of the College earlier in 2024. That credit review incorporated the expected Note and is now being issued.

North Slope concluded their presentation of the St. Olaf Preliminary Financing Plan and asked for questions. There were no questions and Vice Chair Sampair then called on Taft as bond counsel to review their Resolution Relating to Finance Terms.

Catherine Courtney from Taft directed the attention of the Board to the Resolution Relating to Finance Terms for St. Olaf College. It was noted that the Resolution describes the projects to be financed, the assurances received by the Authority that the borrower will comply with the financing terms, and that the

Authority ratifies and confirms all actions taken with respect to the Application. The Resolution further authorizes the Executive Director to proceed with final preparation and signing of documents to complete the financing. The Resolution further directs Bond Counsel or other legal counsel to prepare all documents deemed necessary to complete the financing.

Vice Chair Sampair asked for a motion and second for the Resolution Relating to Financing Terms for St. Olaf. A motion to approve the Resolution was made by Raymond Vin Zant. The motion was seconded by Gary Benson.

Ms. Sampair 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 Thao	Yes
Raymond Vin Zant	Yes

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

After approval of the Financing Terms Resolution for St. Olaf, Chair Rowland asked Taft to review the Series Resolution Relating to St. Olaf College.

Catherine Courtney from Taft directed the Board to the Series Resolution and outlined the components of the Resolution, which described the projects to be financed, recited the steps taken to date on the financing process and noted that approval of the Resolution by the Authority affirms the findings of prior Resolutions 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 authorizes the appropriate persons to sign the documentation for the financing, provide the documents to the Authority for signing, with no further Board approval required, so long as the final terms of the financing are within the parameters outlined in the Series Resolution.

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

Vice-Chair Sampair asked for a motion and second for the Series Resolution for St. Olaf. A motion to approve the Resolution was made by Gary Benson. The motion was seconded by Raymond Vin Zant.

Ms. Sampair called on the Executive Director to conduct a roll call vote on the Series 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 Thao	Yes
Raymond Vin Zant	Yes

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

Angela Mathews from St. Olaf College excused herself from the meeting at 2:23 pm.

#### **Agenda Item II V – University of St. Thomas**

Vice-Chair Sampair called on North Slope Capital Advisors to present the Preliminary Financing Plan for the University of St. Thomas Series 2024A, B, and C Bonds.

Steph Chichester from North Slope directed the Board to the Preliminary Financing Plan letter included in the Board packet. North Slope reviewed the proposed terms of the \$159.705 million financing, noting that the financing is structured as a negotiated sale with RBC Capital Markets as the underwriter. The financing is separated into 3 Series to allow for lower overall interest rates and to provide the University with repayment and tax flexibility. The interest payable on the Bonds will be capitalized from inception through April 30, 2026. Interest payable during this period will be funded from Bond proceeds. The Cost of Issuance will also be funded from Bond Proceeds.

The projects included in the financing will take a number of months to complete. During construction, the unspent proceeds will be held in an interest-bearing account at TD Bank. The investment rate is expected to be materially higher than the bond yield. This allows the size of the transaction to be reduced and the

University to obtain additional funds for the project. To retain the earnings that are attributable to the investment agreement, the University must comply with IRS spenddown rules.

The Series 2024B and Series 2024C Bonds will be designated as “Green” Bonds. The independent firm of Kestral will work with the University to verify and subsequently certify that the Series 2024B and Series 2024C Bonds qualify for “Green” designation. This is expected to enhance marketability of the bonds designated as Green and is consistent with the University’s designation of some of the Series 2022 Bonds as Green bonds.

Principal on the 2024A Bonds will be payable annually beginning October 1, 2027. The amortization period for the Note is 30 years. Principal on the 2024B Bonds will be payable on October 1, 2027 and October 1, 2029. The expected payment source for the 2024B bond are gift receipts. If the gifts are not received by the principal payment date, the University has the right to extend the maturity of the Series 2024B Bonds. The Series 2024C Bonds will be taxable bonds. They are taxable to comply with private use and private benefit rules of the IRS.

The University of St. Thomas is not subject to financial covenants on its outstanding debt and the Series 2024A-C Bonds will not be subject to any financial covenants either.

The Series 2024A-C Bonds have been rated by Moody’s Ratings as “A2, Negative Outlook.”

North Slope concluded their presentation of the University of St. Thomas Preliminary Financing Plan and asked for questions. There were no questions and Vice-Chair Sampair then called on Taft as bond counsel to review their Resolution Relating to Finance Terms.

Peter Cooper from Taft directed the attention of the Board to the Resolution Relating to Finance Terms for the University of St. Thomas. It was noted that the Resolution describes the projects to be financed, the assurances received by the Authority that the borrower will comply with the financing terms, and that the Authority ratifies and confirms all actions taken with respect to the Application. The Resolution further authorizes the Executive Director to proceed with final preparation and signing of documents to complete the financing. The Resolution further directs Bond Counsel or other legal counsel to prepare all documents deemed necessary to complete the financing.

Vice-Chair Sampair asked for a motion and second for the Resolution Relating to Financing Terms for the University of St. Thomas. A motion to approve the Resolution was made by David Rowland. The motion was seconded by Bonnie Anderson Rons.

Ms. Sampair 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 Thao	Yes
Raymond Vin Zant	Yes

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

After approval of the Financing Terms Resolution for St. Thomas, Vice-Chair Sampair asked Peter Cooper from Taft to review the Series Resolution Relating to the University of St. Thomas.

Peter Cooper from Taft directed the Board to the Series Resolution and outlined the components of the Resolution, which described the projects to be financed, recited the steps taken to date on the financing process and noted that approval of the Resolution by the Authority affirms the findings of prior Resolutions 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 authorizes the appropriate persons to sign the documentation for the financing, provide the documents to the Authority for signing, with no further Board approval required, so long as the final terms of the financing are within the parameters outlined in the Series Resolution.

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

Vice-Chair Sampair asked for a motion and second for the Series Resolution for the University of St. Thomas. A motion to approve the Resolution was made by Bonnie Anderson Rons. The motion was seconded by Gary Benson.

Ms. Sampair called on the Executive Director to conduct a roll call vote on the Series Resolution. A roll call vote was conducted, and the Board members voted as follows:

David Rowland	Yes
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Bonnie Anderson Rons	Yes
Nancy Sampair	Yes
Gary Benson	Yes
Mary Thao	Yes
Raymond Vin Zant	Yes

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

#### **Agenda Item V -- Old Business**

Vice-Chair Sampair 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**

Executive Director, Barry Fick, directed the Board’s attention to a news article of interest on the history of how Northfield ended up with two colleges: St. Olaf College and Carleton College.

Vice-Chair Sampair 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**

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

#### **Rating Agency Update**

Moody’s Investors Service will be participating at the April Authority Finance Conference. Discussions with Moody’s are occurring to determine their schedule and their availability for visits to the campus of Authority borrower schools.

### **Legislation Expansion Efforts**

We continue to work on our expansion efforts. We have opened a second track, which would result in an expansion of our outstanding debt capacity. This is necessary since the addition of the St. Olaf and St. Thomas financings will bring the Authority close to the current \$1.3 billion outstanding limitation.

### **School Staff Changes**

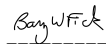
We continue to work with Minnesota Schools on staff vacancies and assist as requested. Our work includes assistance in filing Continuing Disclosure documents, reviewing school prepared tax forms (Form 990 Debt Schedules), and responding to general inquires about the effect of financial covenants.

Vice-Chair Sampair asked if there was any Other Business to come before the Board. There was no Other Business for the Board to consider, and Vice-Chair Sampair asked for a motion to adjourn the Board Meeting.

The motion to adjourn the Board meeting was made by Bonnie Anderson Rons and seconded by Ray Vin Zant.

Vice-Chair Sampair called for a voice vote regarding the adjournment of the meeting. A Voice vote was conducted, and the Board members voted to adjourn the meeting at 2:57 pm.

Respectfully submitted,

  
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Assistant Secretary






# 5- Minutes for 21 Feb 2024 FINAL

Final Audit Report

2024-06-27

Created:	2024-06-27
By:	Amanda Lee (agl@mnhefa.org)
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## "5- Minutes for 21 Feb 2024 FINAL" History

-  Document created by Amanda Lee (agl@mnhefa.org)  
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-  Document emailed to Barry Fick (bwf@mnhefa.org) for signature  
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-  Email viewed by Barry Fick (bwf@mnhefa.org)  
2024-06-27 - 11:43:54 PM GMT
-  Document e-signed by Barry Fick (bwf@mnhefa.org)  
Signature Date: 2024-06-27 - 11:44:12 PM GMT - Time Source: server
-  Agreement completed.  
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