

**Listing of Mailout Material  
May 15, 2024**

-  **Cover Memo**
-  **Meeting Agenda**




*I. Review and approve minutes of the meeting of February 21, 2024*

-  **Minutes of February 21, 2024**

*II. College and University Enrollment Update – Paul Cerkvenik*

-  **MPCC Presentation Slides**

*III. FY2024 Administrative Items*

-  **FY2024 Proposed Adjusted Budget**
-  **FY2024 Plan of Action Results**
-  **FY2024 Achievement Award Resolution**

*IV. FY2025 Administrative Items*

-  **FY2025 Plan of Action**
-  **FY2025 Proposed Board Meeting Schedule**

*V. Old Business*

*VI. New Business*

*VII. Other Business*

-  **Budget vs Actual (April 2024)**

*VIII. Closed Session*

-  **Executive Director Annual Performance Review – to be sent separately**

# MEMORANDUM



860 BLUE GENTIAN ROAD, SUITE 145, EAGAN, MN  
55121

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Date: May 8, 2024

To: Minnesota Higher Education Facilities Authority Board Members

From: Barry W. Fick, Executive Director

Subject: May 15, 2024, Authority Board Meeting Preview

We look forward to seeing everyone at the May 2024 Minnesota Higher Education Facilities Authority Board meeting. We haven't met since February, but we have important administrative business to consider at the May meeting.

While it's been a while since our last meeting, we have been very busy. We have successfully closed two financings, held our annual Finance Conference, and have worked with the Minnesota legislature to increase our bonds outstanding capacity from \$1.3 billion to \$2.0 billion. This increase is vital, as we currently have \$1.289 billion of bonds outstanding, leaving us very little capacity to assist borrowers if our limit isn't increased.

At the May meeting, we will review the FY24 budget, as well as the FY24 and FY25 Plans of Action, consider FY24 Achievement awards, and review the Executive Director's performance.

The meeting will be held at the Authority's Eagan office. Information on the meeting location, parking and other logistics included with your meeting information packet. The meeting may be attended in person, by video link, or teleconference.

This is an in-person meeting, but if you are not able to attend in person, we will use our video link system for this meeting. Instructions for accessing the video link are available in Board packet material included with this email. In addition, telephone access is available.

# MEMORANDUM



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We look forward to your participation in-person, or by video conferencing, or telephone at the meeting.

## **Board Meeting Agenda**

Wednesday, May 15, 2024

2:00 PM

Location: MHEFA Office

*Individuals may request reasonable accommodation or modifications in order to participate in Authority programs by contacting the Authority at least 48 hours in advance of the event.*

- I. Review and approve minutes of the meeting of February 21, 2024
- II. College and University Enrollment Update – Paul Cerkvenik
- III. FY2024 Administrative Items
  - FY2024 Proposed Adjusted Budget
  - FY2024 Plan of Action Results
  - FY2024 Achievement Awards
- IV. FY2025 Administrative Items
  - FY2025 Plan of Action
  - FY2025 Proposed Board Meeting Schedule
- V. Old Business
- VI. New Business
- VII. Other Business
  - Executive Director’s Report
- VIII. Closed Session
  - Executive Director Annual Performance Review

*General Public may attend in-person at the address below,  
via call-in number: 1-877-978-6969 Access Code: 446-323-818#  
or through this link: <https://www.gomeet.com/446-323-818>*



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

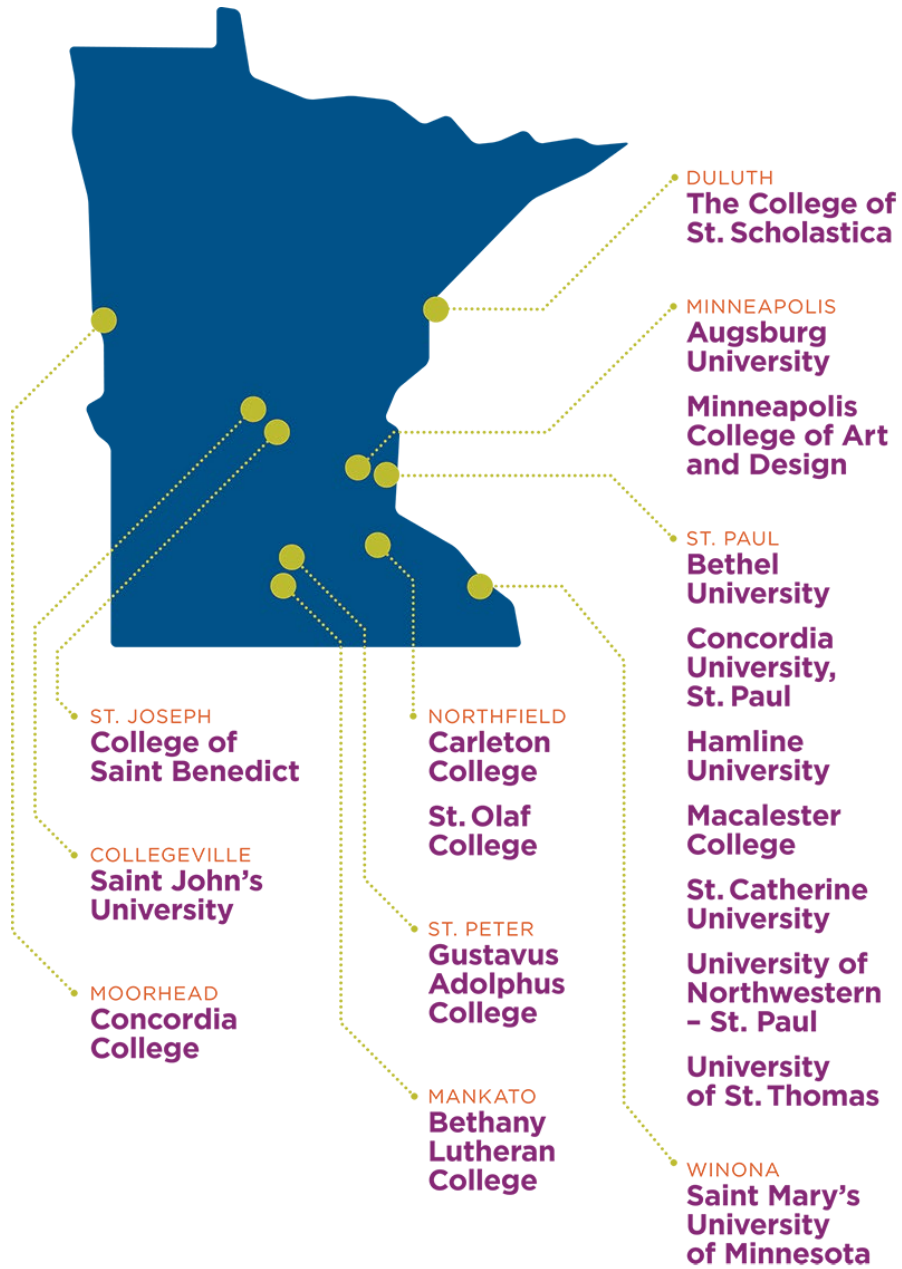
# MINNESOTA PRIVATE COLLEGE COUNCIL

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Minnesota Higher Education Financing Agency

Paul Cerkvenik, President

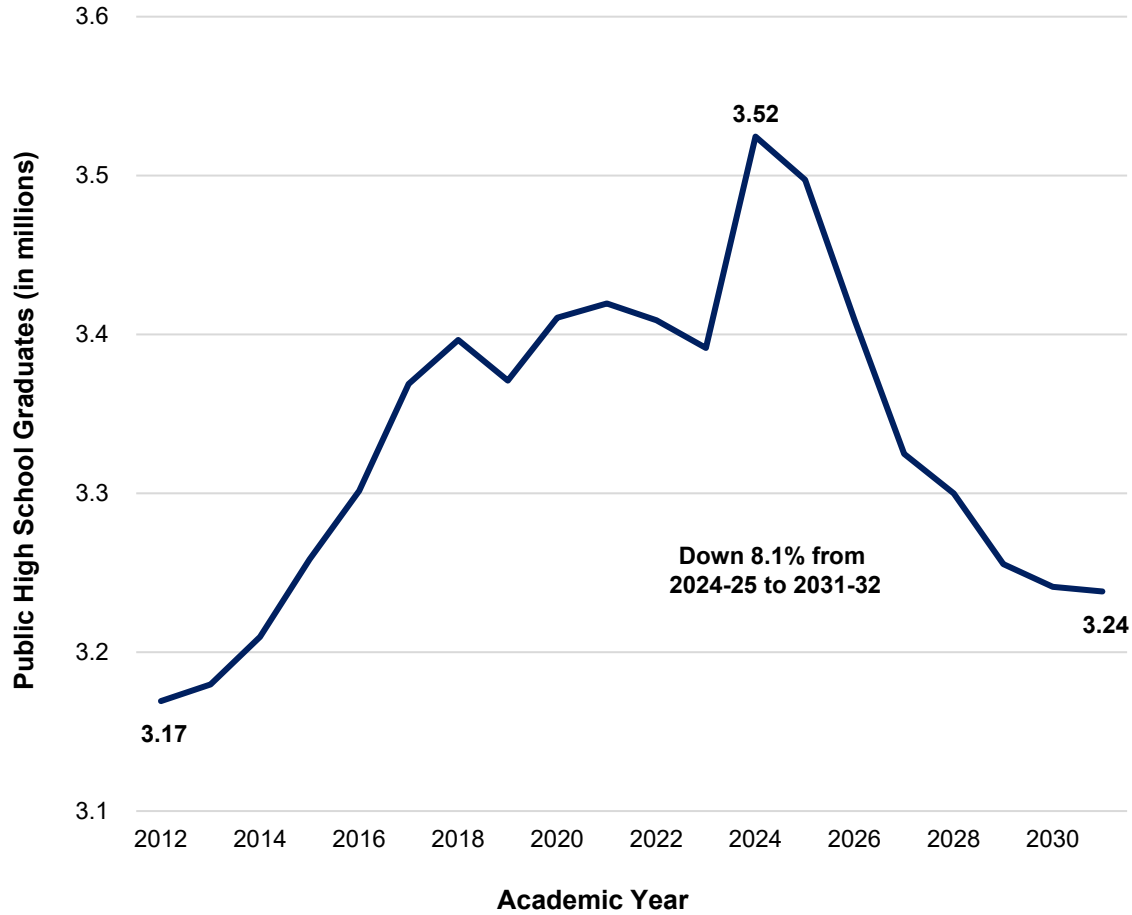
May 10, 2023



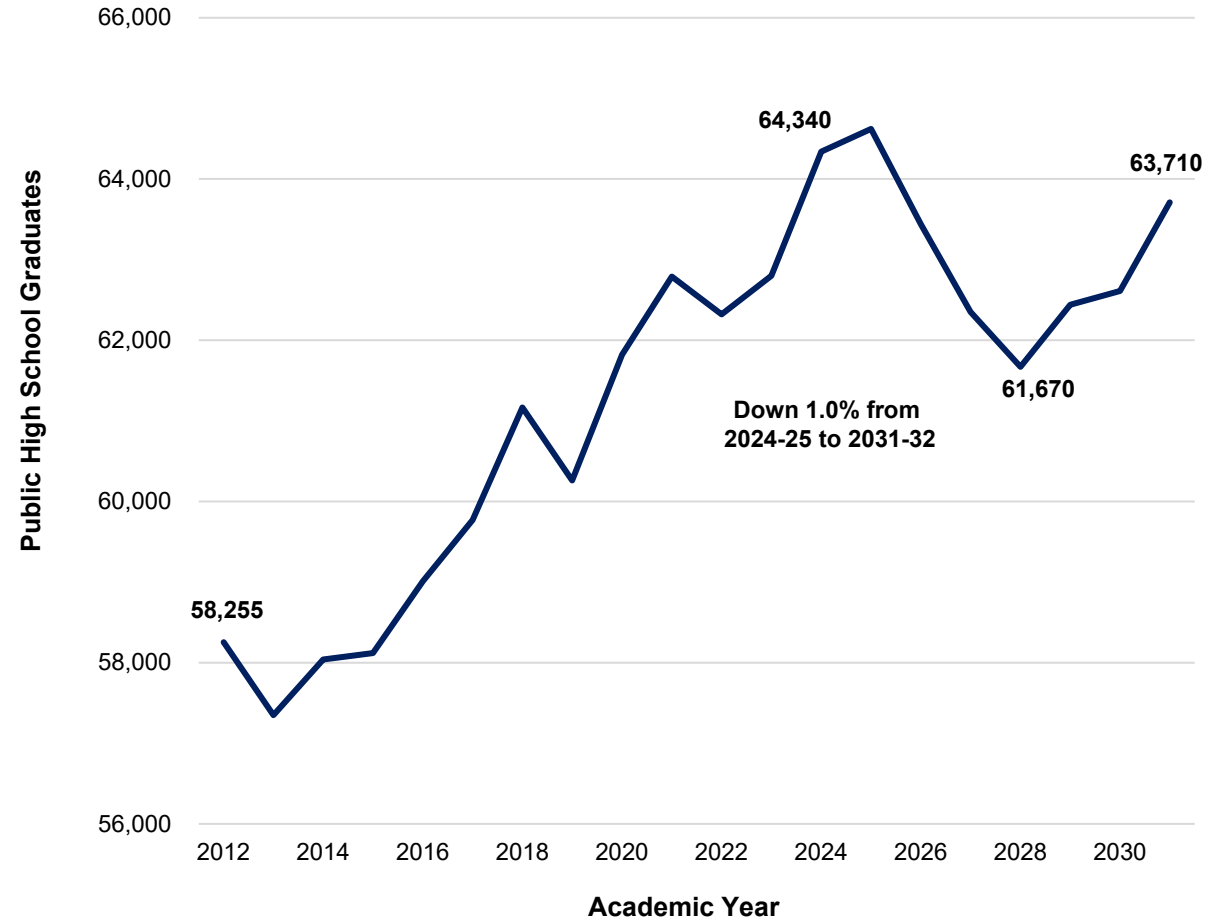


# Projected U.S. & MN High School Graduates

## National

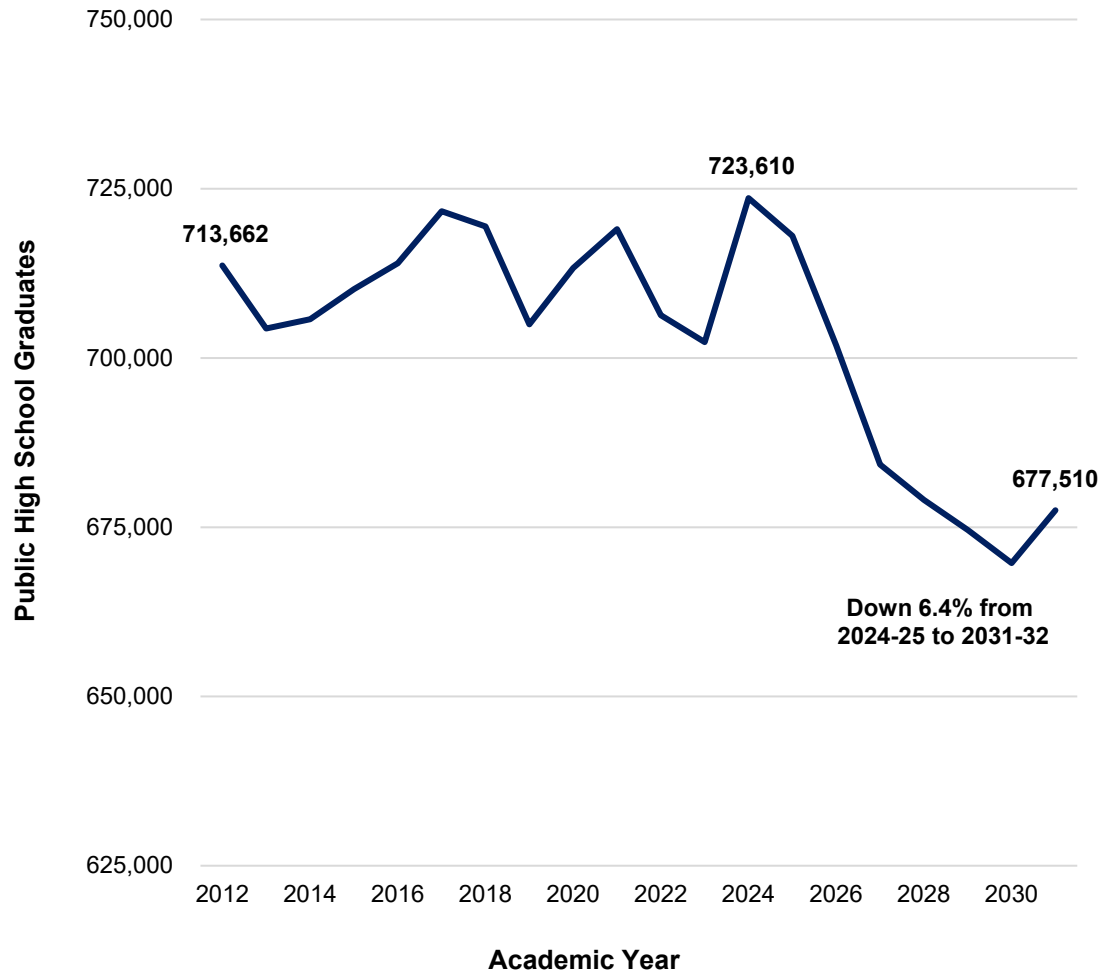


## Minnesota

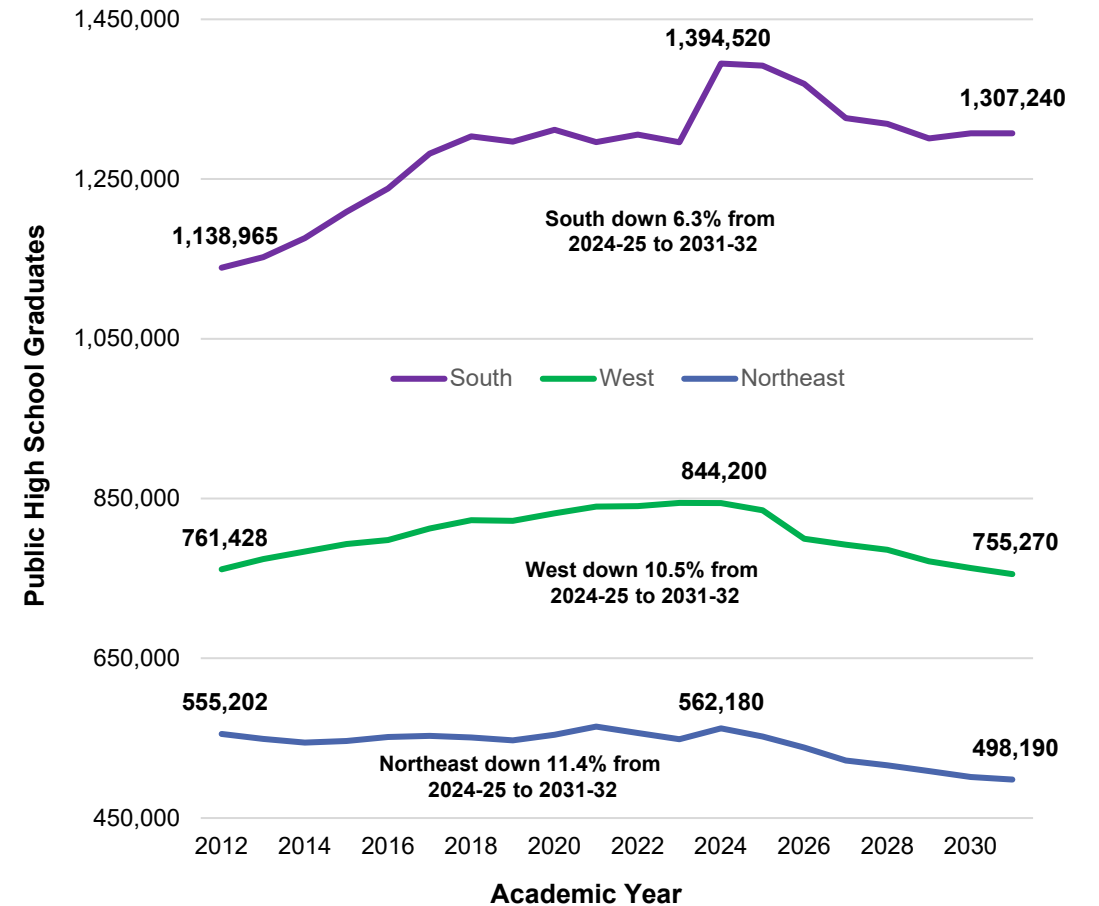


# Projected Public High School Graduates by Geographical Region

## Midwest

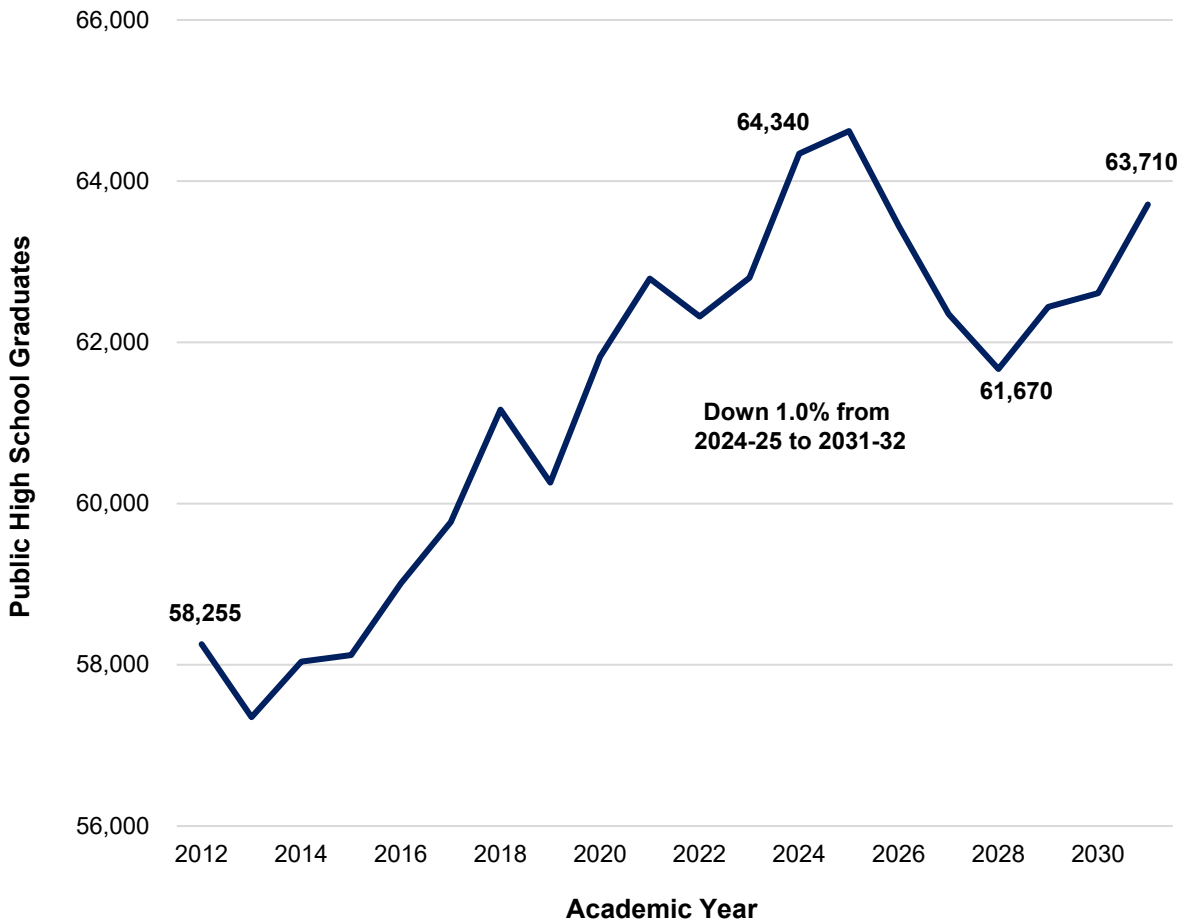


## Other Regions

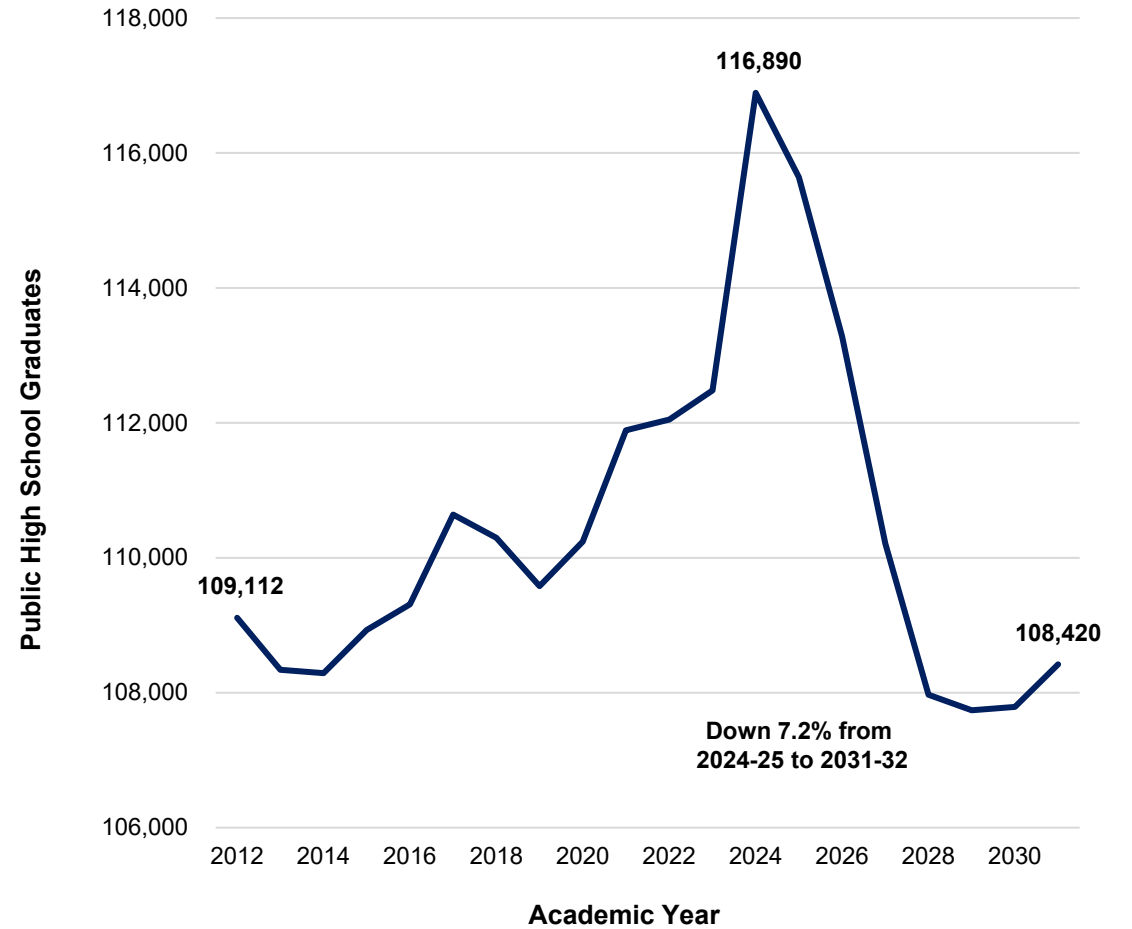


# Projected Public High School Graduates (Minnesota vs. Neighboring States)

## Minnesota

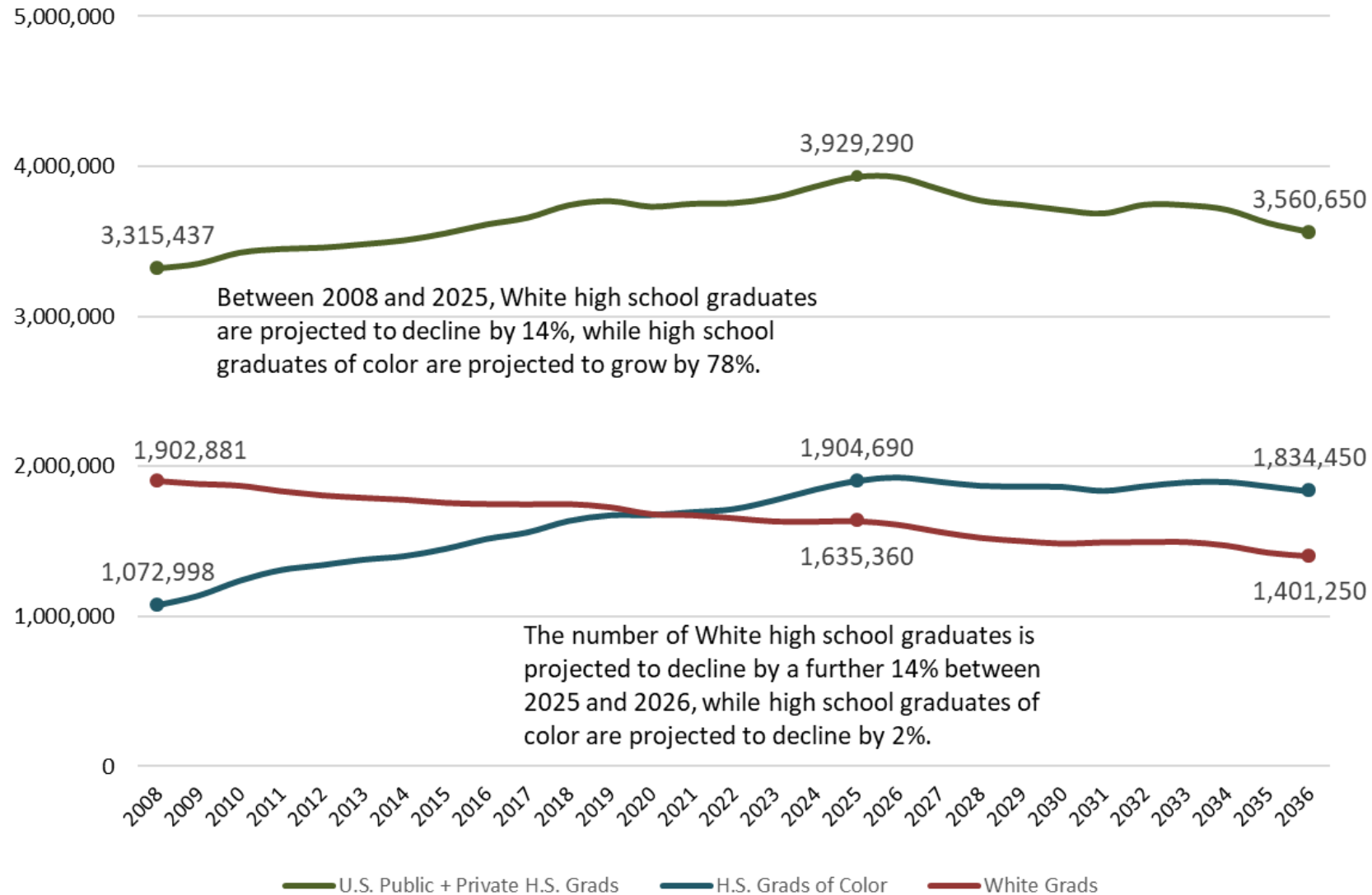


## Neighboring States

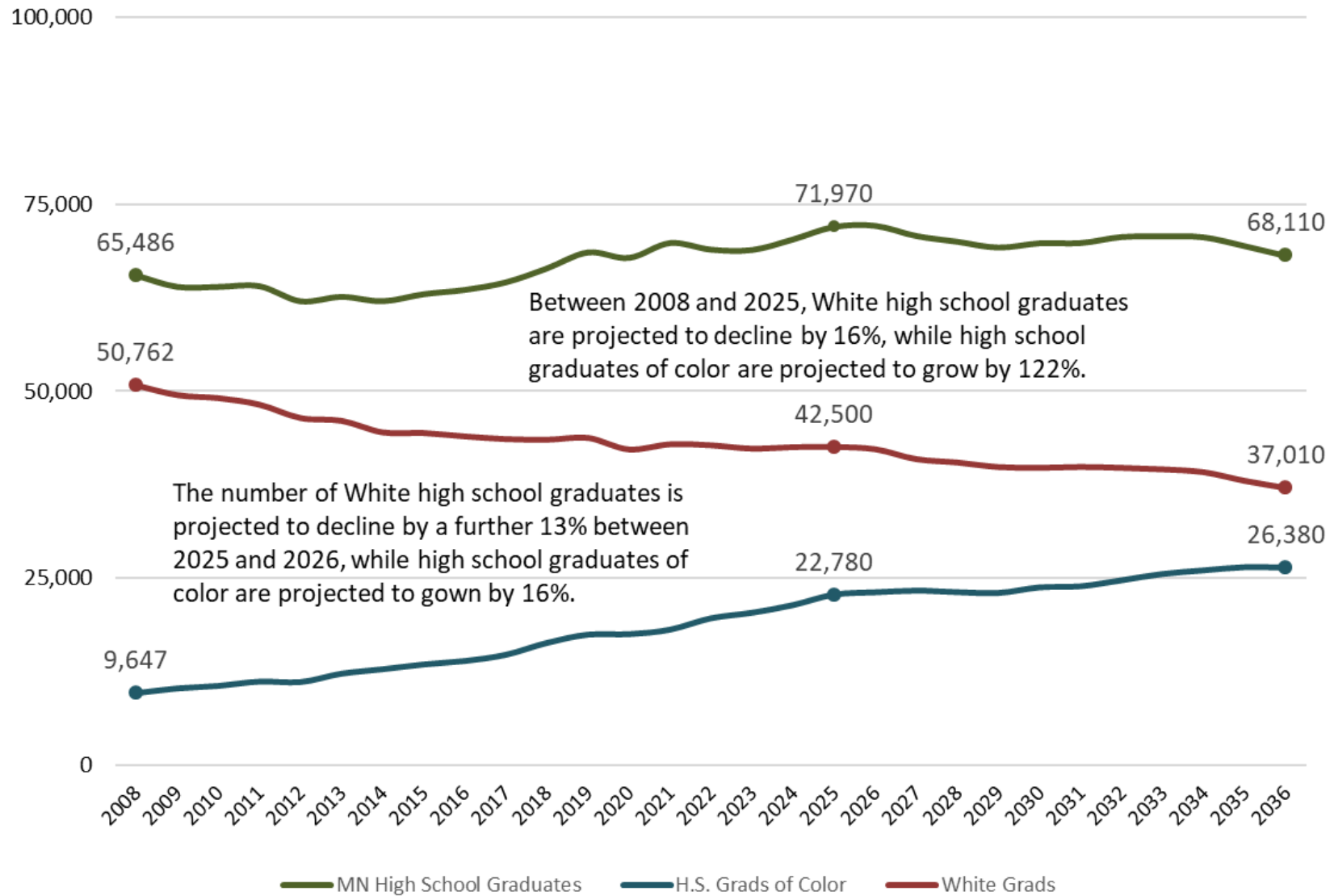


Source: National Center for Education Statistics, 2023

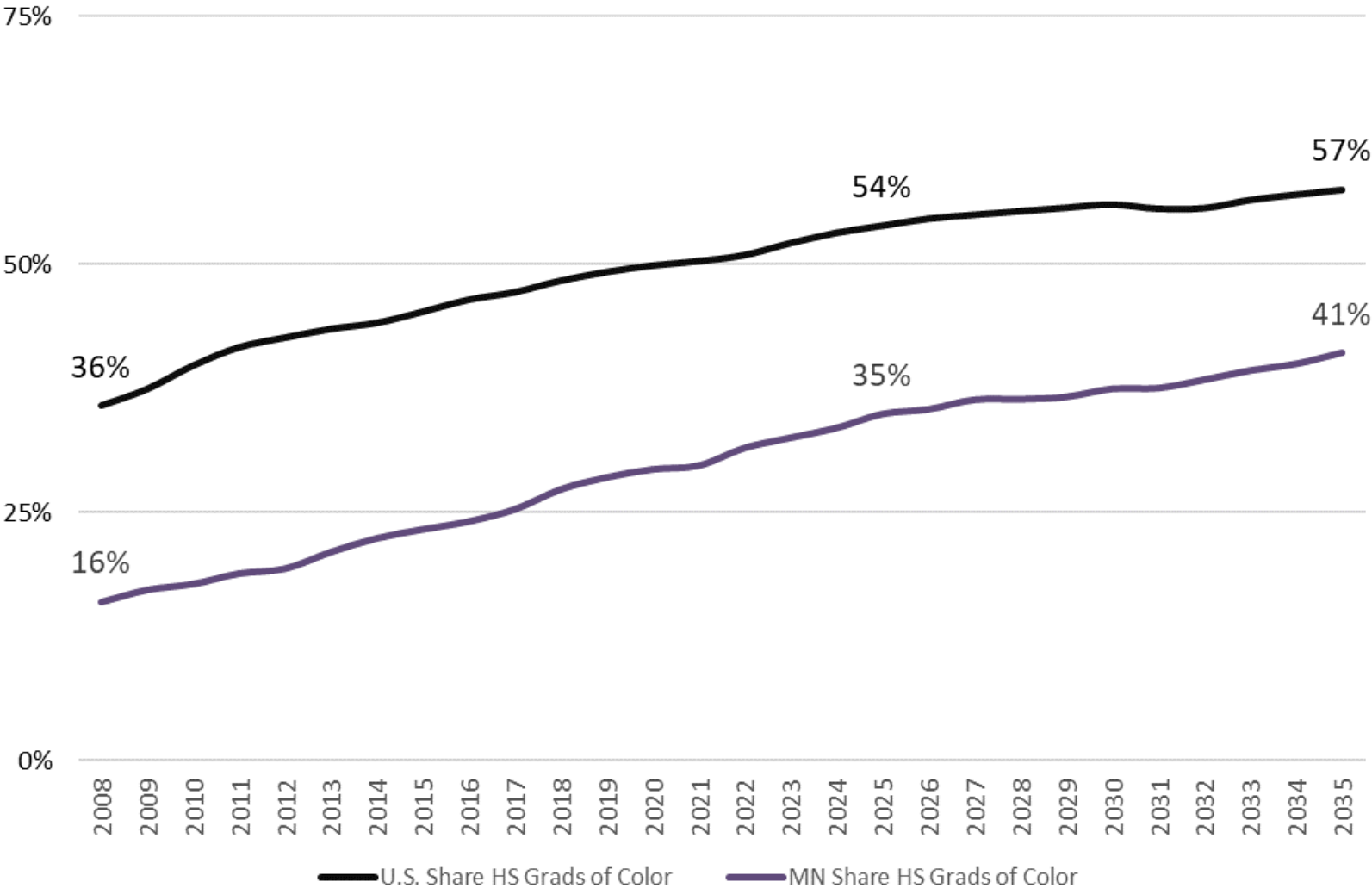
# U.S. High School Graduate Projections – Students of Color



# MN High School Graduate Projections – Students of Color



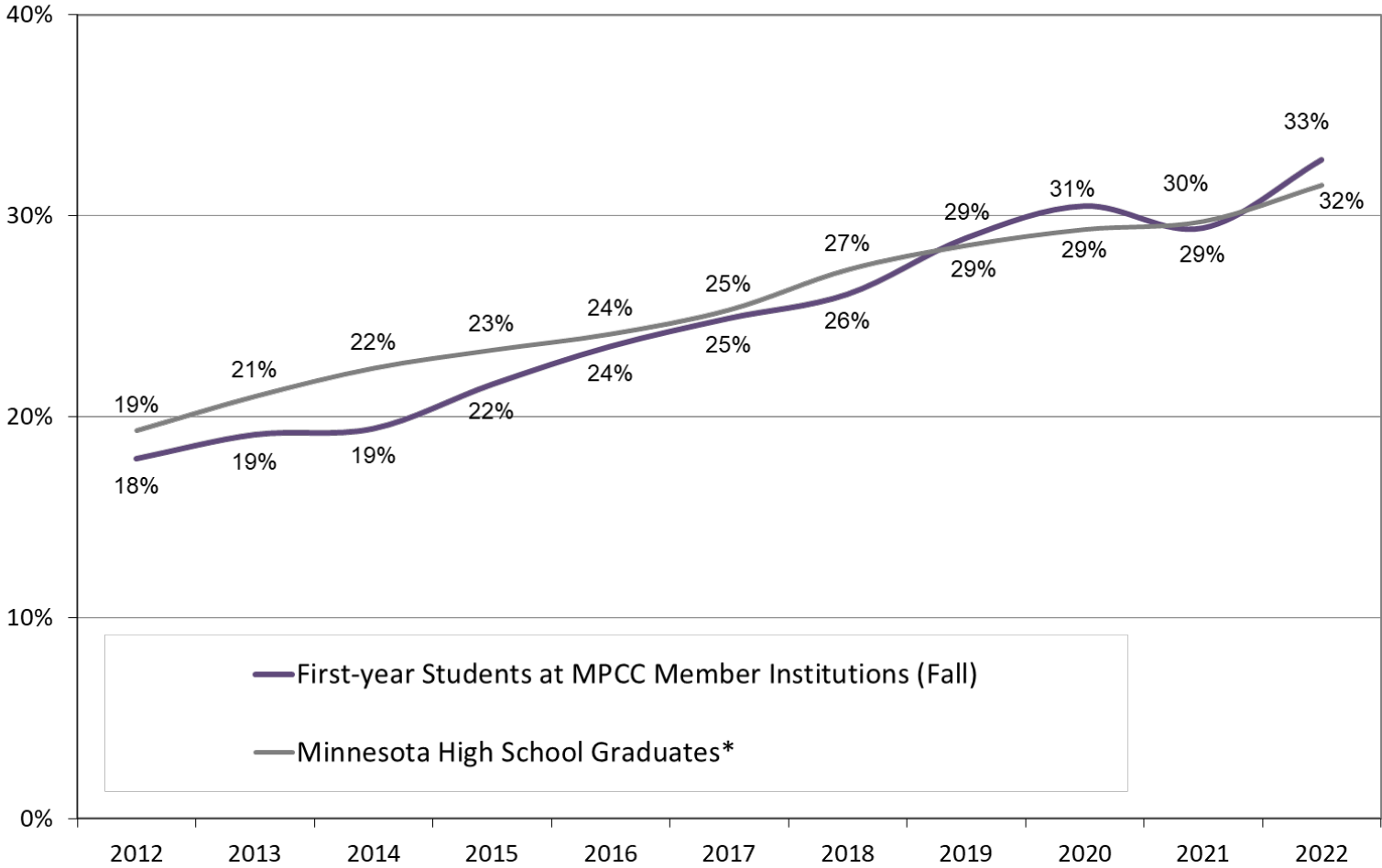
# Projected U.S. & MN Share of High School Graduates of Color



Source: WICHE *Knocking at the College Door: Projections of High School Graduates, 2020*

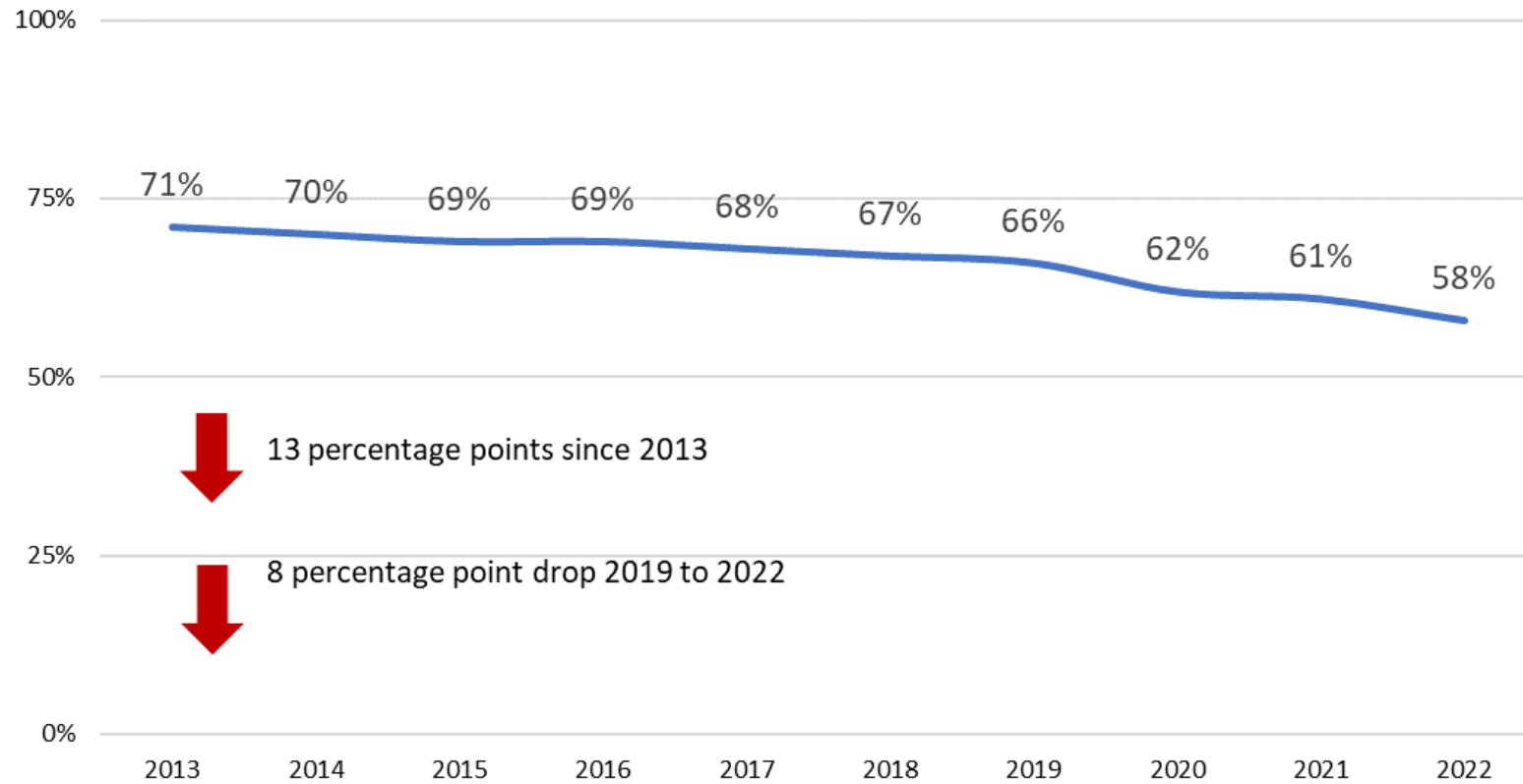
# MPCC Members:

## First-year Students and MN High School Graduates who are Students of Color



Note: This figure does not include international students or students for whom race/ethnicity is not reported.  
\* Source: Western Interstate Commission for Higher Education, *Knocking at the College Door: Projections of High School Graduates*, 2020.

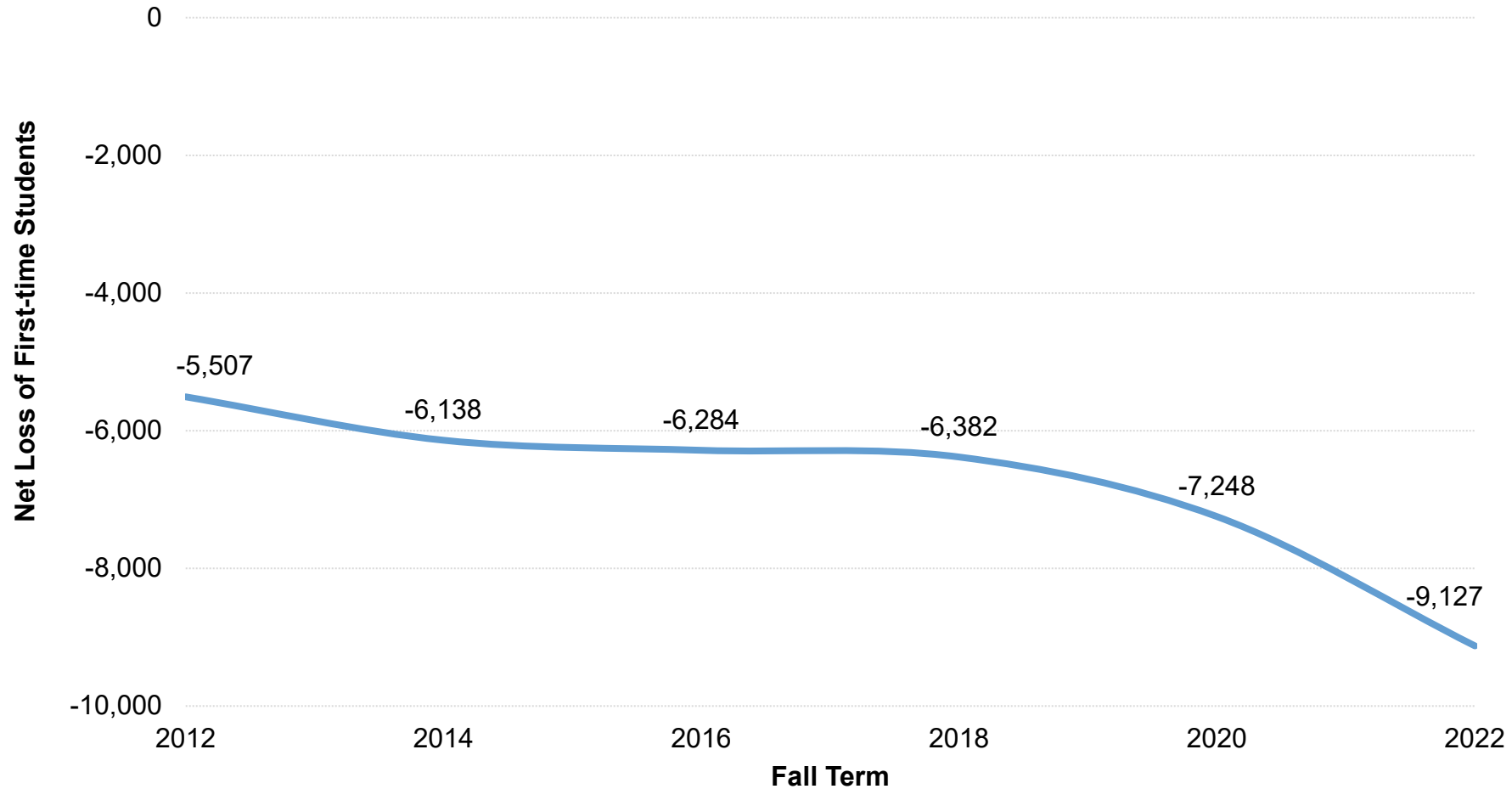
# College Enrollment Crisis: Share of MN High School Grads Enrolling in College the Following Fall



Source: Minnesota SLEDS college enrollment data



# Minnesota as a Net Exporter: Net Loss of First-time Students in Minnesota (Imported – Exported) 2012-2022



Source: IPEDS Residence and Migration data, Fall 2022.

	FY24 Original Budget	FY24 Expected Budget	Difference	Notes
<b>Income</b>				
4010 Annual Fee Income	494,087.95	562,366.38	68,278.43	St. Thomas 2024ABC income
4020 Application Fee Income	1,000.00	2,000.00	1,000.00	St. Thomas 2024ABC App Fee
4000 Interest Income	35,000.00	73,000.00	38,000.00	Change in interest rates
<b>Total Income</b>	<b>530,087.95</b>	<b>637,366.38</b>	<b>107,278.43</b>	
<b>Asset Acquisitions (over \$2k threshold)</b>				
Office Furniture/Equipment (Capitalized)	6,000.00	-	(6,000.00)	Opted to not buy new computers this year - will likely need to in FY2025
			-	
<b>Expenses</b>				
6000 Stipends	2,640.00	2,640.00	-	
6001 Board Travel	4,000.00	2,100.00	(1,900.00)	
6002 Communications				
6002.01 Communications - Phones	4,750.00	3,600.00	(1,150.00)	Current plus estimate for remaining. Did not yet purchase a new cell phone for Operations Manager due to intent to look into switching to Comcast phone/cell phone service in FY25.
6002.02 Communications - Internet	2,000.00	2,090.00	90.00	
6002.03 Communications - Software	1,000.00	600.19	(399.81)	No longer using CorpNote - using free MailChimp
6002.04 Communications - Website	10,000.00	4,800.00	(5,200.00)	Did not move forward with ADA Accessibility project due to larger expense than budgeted and lack of direction from State of MN
6002.05 Communications - Misc	750.00	535.35	(214.65)	Savings due to fewer shredding pick ups than budgeted
<b>Total 6002 Communications</b>	<b>18,500.00</b>	<b>11,625.54</b>	<b>(6,874.46)</b>	
6003 Staff Travel	20,000.00	20,000.00	-	
6004 Office Rent	46,000.00	48,958.49	2,958.49	Increase in CAM Expense
6005 Office Supplies	1,000.00	250.00	(750.00)	
6006 Repairs	1,500.00	-	(1,500.00)	Have not yet repaired Operations Manager window sill - to be completed FY25
6007 Printing Expense	1,500.00	1,750.00	250.00	
6008 Periodicals/Memberships	9,000.00	9,000.00	-	
6009 Fiscal Consultant Fees	5,000.00	1,725.00	(3,275.00)	Less need for Mark LeMay work than budgeted
6010 Audit Fees	20,550.00	20,550.00	-	
6012 Legal Fees	52,000.00	25,300.00	(26,700.00)	Half of budget due to continued agreement at lower rate (was unknown at time of original budget)
6013 Insurance Expense	2,000.00	1,913.34	(86.66)	
6015 Miscellaneous Expense	5,000.00	4,325.00	(675.00)	
6016 Bank Service Charges	2,750.00	1,400.00	(1,350.00)	
6017 Conference Expenses	16,000.00	13,225.00	(2,775.00)	
6018 Professional Development-Board	3,000.00	-	(3,000.00)	
6020 Professional Development-STAFF	5,000.00	1,445.00	(3,555.00)	
6021 IT				
6021.01 IT - Managed IT Services	9,000.00	6,949.57	(2,050.43)	
6021.02 IT - Software	2,300.00	2,000.00	(300.00)	
6021.03 IT - Consulting and Training	5,000.00	-	(5,000.00)	Did not move forward with database creation as there are upcoming software changes to assess before creating database
6021.04 IT - Misc	750.00	-	(750.00)	
<b>Total 6021 IT</b>	<b>17,050.00</b>	<b>8,949.57</b>	<b>(8,100.43)</b>	
6023 Postage/Delivery Expense	400.00	264.05	(135.95)	
6100 Salaries	278,000.00	242,000.00	(36,000.00)	Budgeted 7.5% increase due to legislature's increase and state's estimate, but increase was 5.5%, not 7.5%
6101 Fringe Benefits	86,000.00	86,000.00	-	
6104 Worker's Compensation	170.00	170.00	-	
6107 Office Contract Work	1,000.00	-	(1,000.00)	
6200 Equipment Leases				
6200.01 Equipment Lease - Copier	3,250.00	1,280.29	(1,969.71)	Purchased copier to replace leased copier - purchase is under 6015 Misc Exp
6200.02 Equipment Lease - Postage Machine	250.00	236.13	(13.87)	Postage machine lease not renewed
6200.03 Equipment Lease - Aquos Board	2,800.00	2,800.00	-	
<b>Total 6200 Equipment Leases</b>	<b>6,300.00</b>	<b>4,316.42</b>	<b>(1,983.58)</b>	
<b>Total Expenses</b>	<b>610,360.00</b>	<b>507,907.41</b>	<b>(102,452.59)</b>	
<b>Net Operating Income</b>	<b>(80,272.05)</b>	<b>129,458.97</b>	<b>209,731.02</b>	
<b>Total Expenses Without Capitalized Items</b>	<b>604,360.00</b>	<b>507,907.41</b>	<b>(96,452.59)</b>	
<b>Net Operating Income Without Capitalized Items</b>	<b>(74,272.05)</b>	<b>129,458.97</b>	<b>203,731.02</b>	

## Plan of Action for Fiscal Year Ending June 30, 2024

### Authority's Statutory Mandate:

#### Assist Eligible Institutions In Financing Facilities In An Efficient and Cost-Effective Manner

1. Communicate regularly with eligible institutions to explain tax-exempt debt and Authority services. Provide pre-application guidance. Maintain consistency in financial advisory, bond counsel, corporate trust, rating agency and other professional services. Conduct telephone, video conference, or on-campus site visit with all borrower schools at least 1 time.

This is annual or more frequently realized. We are conducting more school contact to keep on top of developing situations and answer questions about bond covenants.

2. Arrange for monthly meetings and special events for the Authority, including possible campus visits and video or conference calls within the Minnesota Statutory rules to allow greater meeting accessibility by board members, guests, staff and members of the public.

Permanent adoption of hybrid meetings enhanced accessibility, participation, and attendance. Expanded use of video calls with schools expanded the reach of the Authority and has resulted in greater ongoing communication with school finance and administration staff.

3. Provide post-closing education and assistance to borrowers in matters such as tax law compliance, continuing disclosure, investor relations, credit rating and IRS inquiries affecting tax exempt bonds.

This ongoing work continues to provide strong value to schools, fosters greater engagement with the Authority and allows us to keep up with events and happenings at the schools.

4. Arrange an annual financing conference for the Authority to bring representatives of eligible institutions, rating agency staff, attorneys, trustees, municipal advisors, institutional investors, and other related professionals together for presentations, networking opportunities and renewing acquaintances.

Held a combination in-person/virtual conference at Union Depot Saint Paul for 88 attendees. We received positive feedback from numerous attendees, both in-person and virtual. Although it was a small sample size, a survey after the conference shows that attendees who responded think the conference is about the right length, enjoyed the choice in catering, and thought most speakers were relevant to them.

5. Prepare and disseminate the annual report of the Authority, including the audited financial statements.

Once again, the Authority's Annual Report was completed in-house to save on cost, was delivered to the state of MN on time, and posted to the Authority's website.

6. Prepare a “Capital Commentary” newsletter for each financing as a reference tool for eligible institutions and the Authority.

All Capital Commentaries will be completed by the end of the fiscal year.

7. Stay informed on industry developments and operational practices through affiliations with government issuers and regulatory agencies, trade organizations and nonprofit organizations such as the National Association of Health and Educational Facilities Finance Authorities and the National and Central Association of College and University Business Officers.

We just completed a 3-year term as President of NAHEFFA. Continue to be a member of NAHEFFA Advocacy Committee. In 2<sup>nd</sup> term on GFOA Debt Committee.

8. Monitor regulatory and legislative proposals at the state and federal level regarding the capital market and possible limitations on the use of tax-exempt debt, develop coordinated responses and keep borrowers informed. Provide input and commentary as appropriate to affiliated entities.

Receive and review multiple weekly newsletters from market participants. Work with GFOA and others on legislative advocacy.

9. Update MHEFA staff job descriptions consistent with Minnesota Management and Budget guidelines (every three years).

Pending legislative approval of expansion of issuance authority.

10. Expand staff cross-training on critical Authority items to bolster the Authority’s continuity plan and create a more seamless transition should immediate needs arise, such as during an extended absence that is planned or unplanned or a pandemic.

The Authority’s contact list was thoroughly scrubbed for contacts no longer in their current positions and additions needed. The list was cut in half due to these changes. This also allows the Authority to stay on a free MailChimp (email contact system) plan with this drop in the number of current contacts.

The Operations Manager attended legislative committee hearings regarding the Authority’s bonding limit increase and has sat in on more pre- and post-closing calls for financings. The Operations Manager has also been attending a Bond training webinar series in April/May 2024 through PFM.

11. Continue to development of a Succession Plan for Authority staff.

Moving forward will depend on issuance Authority expansion. Succession plans and options will change depending on future Authority capacity and type of financing allowed by statute.

12. Increase focus, develop strategy and identify resources to help with the identification and recruitment of Board candidates to enhance the diversity and inclusiveness of Board members.

Progress on enhancing DEI on Board and progress on reaching out to organizations for future Board candidates is moving forward and will continue to be an area of emphasis.

13. Monitor and modify as appropriate the new Minnesota Higher Education Facilities Authority website. Continue working with Voom to adjust website based on user feedback. Continue to work with BondLink to maintain and adjust the MHEFA Investor Relations website, based on user feedback, which includes public information and documents for each school as a “one stop shop” for investors.

The Authority website had several pages updated by the Authority and by Voom Creative during FY2024 to remain current, including an update to the Authority’s timeline diagram where the move to Eagan was added. During FY24, the Authority also launched a LinkedIn page for the Authority. This allows news to reach followers without requiring them to seek out our website for news. If they follow the LinkedIn page, they are sent notifications where they can see the news items easily.

14. Annual Fee updates & changes, coordinate with annual Operating Budget update and monitoring.

Accomplished each year with goal of keeping Authority Annual fee at the same level for as long as possible to allow for budgeting consistency for borrowers.

15. Continue to assess status of record retention and disposal of official records and access for business continuity purposes.

The conversion to digital records has been extremely helpful to reduce storage needs, enhance security, expand access, and improve response to borrower inquiries.

16. Continue to review and bring forward recommended revisions to the Board of the Authority’s Standing Rules of Operation as processes change.

The Standing Rules of Operation have continued to be reviewed annually, with suggested changes brought forward to the Board.

Resolution No. 05-2024-01

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY  
RESOLUTION UNDER MANAGERIAL PLAN 2023-2025  
FOR ACHIEVEMENT AWARDS 2023-2024

WHEREAS, the Managerial Plan established compensation, terms and conditions of employment for employees identified by the Minnesota Management & Budget (“MMB”) as “managerial” for the two-year period that began on July 1, 2023 and will end on June 30, 2025.

WHEREAS, on June 20, 2012, the Authority adopted the Policy on Achievement Awards, which has been periodically updated consistent with MMB guidelines.

WHEREAS, on May 15, 2024, the Authority reviewed the overall performance of Barry W. Fick, Executive Director and his review of Amanda Lee, Operations Manager, based upon their work to maintain the Authority’s level of service and progress on the Authority’s Plan of Action for the fiscal year ending June 30, 2024.

WHEREAS, the Authority has determined that each Manager has contributed to progress of the Plan of Action in his or her capacity as Executive Director or Operations Manager.

WHEREAS, the Authority has determined that each Manager has consistently excelled in the performance of his or her respective job duties and the overall evaluation of the performance review of each Manager is “outstanding” as contemplated by the Policy.

BE IS RESOLVED as follows:

1. Barry Fick is eligible for the achievement award and is granted a lump sum award of \$2,500 for the fiscal year ending June 30, 2024.
2. Amanda Lee is eligible for the achievement award and is granted a lump sum award of \$2,500 for the fiscal year ending June 30, 2024.

Adopted: May 15, 2024

MINNESOTA HIGHER EDUCATION  
FACILITIES AUTHORITY

By \_\_\_\_\_  
David Rowland, Chair

By \_\_\_\_\_  
Bonnie Anderson Rons, Secretary

## Plan of Action for Fiscal Year Ending June 30, 2025

### Authority's Statutory Mandate:

#### **Assist Eligible Institutions In Financing Facilities In An Efficient and Cost-Effective Manner**

1. Communicate regularly with eligible institutions to explain tax-exempt debt and Authority services. Provide pre-application guidance. Maintain consistency in financial advisory, bond counsel, corporate trust, rating agency and other professional services. Conduct telephone, video conference, or on-campus site visit with all borrower schools at least 1 time.
2. Arrange for monthly meetings and special events for the Authority, including possible campus visits and video or conference calls within the Minnesota Statutory rules to allow greater meeting accessibility by board members, guests, staff and members of the public.
3. Provide post-closing education and assistance to borrowers in matters such as tax law compliance, continuing disclosure, investor relations, credit rating and IRS inquiries affecting tax exempt bonds.
4. Arrange an annual financing conference for the Authority to bring representatives of eligible institutions, rating agency staff, attorneys, trustees, municipal advisors, institutional investors, and other related professionals together for presentations, networking opportunities and renewing acquaintances.
5. Prepare and disseminate the annual report of the Authority, including the audited financial statements.
6. Prepare a "Capital Commentary" newsletter for each financing as a reference tool for eligible institutions and the Authority.
7. Stay informed on industry developments and operational practices through affiliations with government issuers and regulatory agencies, trade organizations and nonprofit organizations such as the National Association of Health and Educational Facilities Finance Authorities and the National and Central Association of College and University Business Officers.
8. Monitor regulatory and legislative proposals at the state and federal level regarding the capital market and possible limitations on the use of tax-exempt debt, develop coordinated responses and keep borrowers informed. Provide input and commentary as appropriate to affiliated entities.
9. Update MHEFA staff job descriptions consistent with Minnesota Management and Budget guidelines (every three years).
10. Expand staff cross-training on critical Authority items to bolster the Authority's continuity plan and create a more seamless transition should immediate needs arise, such as during an extended absence that is planned or unplanned or a pandemic.

11. Continue development of a Succession Plan for Authority staff.
12. Increase focus, develop strategy and identify resources to help with the identification and recruitment of Board candidates to enhance the diversity and inclusiveness of Board members.
13. Monitor and modify as appropriate the new Minnesota Higher Education Facilities Authority website. Continue working with Voom to adjust website based on user feedback. Continue to work with BondLink to maintain and adjust the MHEFA Investor Relations website, based on user feedback, which includes public information and documents for each school as a “one stop shop” for investors.
14. Annual Fee updates & changes, coordinate with annual Operating Budget update and monitoring.
15. Continue to assess status of record retention and disposal of official records and access for business continuity purposes.
16. Continue to review and bring forward recommended revisions to the Board of the Authority’s Standing Rules of Operation as processes change.
17. Ensure Authority financial stability through forward planning of financial reserves and fee discount stability.
18. Explore options to enhance Authority value-added and industry visibility through offering occasional webinars, information distribution through Website or LinkedIn, or School staff only in-person ½ day conference/roundtable (in coordination with MPCC.)



**MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY  
 FY 2025 TENTATIVE MEETING SCHEDULE  
 THIRD WEDNESDAY OF EACH MONTH AT 2:00 PM**

	July 17, 2024
	August 21, 2024
	September 18, 2024
Board Meeting Dinner	October 16, 2024
	November 20, 2024
	December 18, 2024
	January 15, 2025
	February 19, 2025
	March 19, 2025
Annual Conference	April 16, 2025
<i>Meeting must take place</i>	May 21, 2025
<i>Meeting must take place</i>	June 18, 2025

# MN Higher Education Facilities Authority

## Budget vs. Actuals: FY2024 Original Budget - FY24 P&L

July 2023 - June 2024

	TOTAL			
	ACTUAL	BUDGET	REMAINING	% REMAINING
<b>Income</b>				
4010 Annual Fee Income	955,300.25	494,087.95	-461,212.30	-93.35 %
4020 Application Fee Income	2,000.00	1,000.00	-1,000.00	-100.00 %
Discounts given	-550,127.55		550,127.55	
<b>Total Income</b>	<b>\$407,172.70</b>	<b>\$495,087.95</b>	<b>\$87,915.25</b>	<b>17.76 %</b>
<b>GROSS PROFIT</b>	<b>\$407,172.70</b>	<b>\$495,087.95</b>	<b>\$87,915.25</b>	<b>17.76 %</b>
<b>Expenses</b>				
6000 Stipends	1,753.45	2,640.00	886.55	33.58 %
6001 Board Travel	1,420.85	4,000.00	2,579.15	64.48 %
<b>6002 Communications</b>				
6002.01 Communications - Phones	2,863.39	4,750.00	1,886.61	39.72 %
6002.02 Communications - Internet	1,377.98	2,000.00	622.02	31.10 %
6002.03 Communications - Software	552.19	1,000.00	447.81	44.78 %
6002.04 Communications - Website	4,285.11	10,000.00	5,714.89	57.15 %
6002.05 Communications - Misc	264.87	750.00	485.13	64.68 %
<b>Total 6002 Communications</b>	<b>9,343.54</b>	<b>18,500.00</b>	<b>9,156.46</b>	<b>49.49 %</b>
6003 Staff Travel	<b>14,900.33</b>	<b>20,000.00</b>	<b>5,099.67</b>	<b>25.50 %</b>
6004 Office Rent	40,121.30	46,000.00	5,878.70	12.78 %
6005 Office Supplies	299.01	1,000.00	700.99	70.10 %
6006 Repairs	526.65	1,500.00	973.35	64.89 %
6007 Printing Expense	752.31	1,500.00	747.69	49.85 %
6008 Periodicals/Memberships	6,733.00	9,000.00	2,267.00	25.19 %
6009 Fiscal Consultant Fees	475.00	5,000.00	4,525.00	90.50 %
6010 Audit Fees	20,550.00	20,550.00	0.00	0.00 %
6012 Legal Fees	12,581.50	52,000.00	39,418.50	75.80 %
6013 Insurance Expense		2,000.00	2,000.00	100.00 %
6015 Miscellaneous Expense	1,090.25	5,000.00	3,909.75	78.20 %
6016 Bank Service Charges	928.55	2,750.00	1,821.45	66.23 %
6017 Conference Expenses	7,259.72	16,000.00	8,740.28	54.63 %
6018 Professional Development-Board		3,000.00	3,000.00	100.00 %
6020 Professional Development-STAFF	345.00	5,000.00	4,655.00	93.10 %
6021 IT	<b>7,394.92</b>	<b>17,050.00</b>	<b>9,655.08</b>	<b>56.63 %</b>
6023 Postage/Delivery Expense	164.05	400.00	235.95	58.99 %
6100 Salaries	183,038.68	278,000.00	94,961.32	34.16 %
6101 Fringe Benefits	66,417.06	86,000.00	19,582.94	22.77 %
6104 Worker's Compensation	170.00	170.00	0.00	0.00 %
6107 Office Contract Work		1,000.00	1,000.00	100.00 %
6200 Equipment Leases	<b>4,866.84</b>	<b>6,300.00</b>	<b>1,433.16</b>	<b>22.75 %</b>
<b>Total Expenses</b>	<b>\$381,132.01</b>	<b>\$604,360.00</b>	<b>\$223,227.99</b>	<b>36.94 %</b>
<b>NET OPERATING INCOME</b>	<b>\$26,040.69</b>	<b>\$ -109,272.05</b>	<b>\$ -135,312.74</b>	<b>123.83 %</b>
<b>Other Income</b>				
4000 Interest Income	71,754.04	35,000.00	-36,754.04	-105.01 %

# MN Higher Education Facilities Authority

Budget vs. Actuals: FY2024 Original Budget - FY24 P&L

July 2023 - June 2024

	TOTAL			
	ACTUAL	BUDGET	REMAINING	% REMAINING
4050 Unrealized Gain/Loss Adjustment on Sale	9,692.23		-9,692.23	
<b>Total Other Income</b>	<b>\$81,446.27</b>	<b>\$35,000.00</b>	<b>\$ -46,446.27</b>	<b>-132.70 %</b>
NET OTHER INCOME	<b>\$81,446.27</b>	<b>\$35,000.00</b>	<b>\$ -46,446.27</b>	<b>-132.70 %</b>
NET INCOME	<b>\$107,486.96</b>	<b>\$ -74,272.05</b>	<b>\$ -181,759.01</b>	<b>244.72 %</b>