



The Minnesota Higher Education Facilities Authority (the “Authority” or “MHEFA”) convened a Board meeting at 2:02 pm Central Standard Time, Wednesday, August 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, as well as several Board Members. 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 August 21, 2024 Board Actions Taken:

Motions:	Result:	Vote:
Approve Meeting Minutes of June 19, 2024	Passed	Unanimous

Resolutions	Result:	Vote:

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: Bonnie Anderson Rons -IP
 David Rowland - V
 Gary Benson - IP
 Nancy Sampair – IP
 Mary Thao - V
 Mary Ives – V
 Ken Westphal - IP
 Paul Cerkvenik – V (2:15 pm joined)

Absent: Mikeya Griffin
 Poawit Yang

Other Attendees: John Berns of Carnival, Berns, P.A. - V

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

David Rowland, Chair, called the meeting order at 2:02 pm CDT. Executive Director Fick confirmed that a quorum was present.

Agenda Item I – Minutes of the June 19, 2024, Board meeting

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

Chair Rowland asked if there were any changes or edits to the minutes of the June 19, 2024 MHEFA Board meeting. There were no suggested edits to the minutes of the June 19, 2024 MHEFA Board meeting.

Chair Rowland asked for a motion to accept and approve the June 19, 2024 Minutes. A motion was made by Gary Benson to approve the June 19, 2024 minutes. The motion was seconded by Nancy Sampair. 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:	Bonnie Anderson Rons	Yes
	David Rowland	Yes
	Gary Benson	Yes
	Nancy Sampair	Abstain
	Mary Ives	Yes
	Ken Westphal	Yes
	Mary Thao	Yes

There were no votes against the motion and the Minutes of the June 19, 2024, MHEFA Board meetings were approved.

Agenda Item II – Introduction of New Board Member

Chair Rowland called on Executive Director Fick to introduce a new Board member. Executive Director Fick introduced Kenneth (Ken) Westphal as one of the Greater Minnesota Board members. Ken was appointed to a full-term on the MHEFA Board by Governor Walz in July 2024. Executive Director Fick noted that Ken has a long association with the Authority and Higher Education.

Executive Director Fick asked Ken to provide some information about himself to the board members. Ken noted that he began his professional career as an accountant, working primarily with higher education clients. After more than a decade in public accounting, he transitioned to Gustavus Adolphus College, working in finance, becoming CFO for a number of years. Upon retirement, Ken worked as interim CFO at a number of colleges, before fully retiring. In addition to the MHEFA Board, Ken has served as a Director for other organizations. During his tenure at Gustavus, Ken was responsible for debt management and used MHFA as the issuing Authority for tax-exempt financing at Gustavus. Ken resides in St. Peter, Minnesota.

Concurrent with Ken's initial appointment to the MHEFA Board, Governor Walz reappointed Mary Ives to the MHEFA Board. Mary serves as a Board member representing Greater Minnesota. Ken asked if Board members had any questions for him. There were no questions. Board members congratulated Ken on his appointment to the Board and observed that his experience as a College CFO will be very helpful to the Board in the future review of financing requests.

Agenda Item III – Update on Legislative Efforts

Executive Director Fick introduced John Berns, Esq., a partner at Carnival, Berns, P.A. Carnival Berns is the legislative assistance (lobbying) firm that we have used for our Legislative expansion efforts. Doug Carnival, the other partner in the firm, was with McGrann Shea, who also served as Bond Counsel for the Authority. That firm disbanded in 2024 and Doug joined with John to form a new firm.

John went through a timeline with the Board and noted the work that was required to get our bond capacity increased from \$1.3 billion to \$2 billion during this past legislative session. This increase was imperative to the Authority's ability to continue to serve its borrowers and carry out its mission.

He noted that while we were able to increase our bonding capacity through a statutory change by the legislature, we were unable to get our issuance expansion that would include Healthcare through the legislature. The legislation was passed by the Higher Education and Health Care committees in both the Senate and the House. The Senate sent the bill to the Senate floor for consideration. The bill was held up by the House Local Government committee for concerns related to possible private equity benefitting from the expansion.

John noted that we have gathered information and will be working with the legislature to address their concerns and work on full passage in the 2025 legislature.

Chair Rowland asked if there were any questions for John. Board members asked about the probability of future success in getting the expansion passed. John noted that our updated plan is very strong, and we have the opportunity to work with specific legislators to address their concerns prior to the next session of the legislature. This will give us a stronger chance of success, although nothing is "guaranteed."

Board members commented that they appreciated John's presentation and the explanation of the work that was involved in passage of the legislation.

Agenda Item IV – College and University Updates

Chair Rowland asked Executive Director Fick to update the Board on recent developments with Authority borrowers. Executive Director Fick noted that three borrower schools have redeemed outstanding debt issued by the Authority on behalf of the Schools. Debt has been redeemed by:

- Augsburg - refunding
- St. Mary's University – redemption
- Minneapolis College of Art and Design - partial redemption

The redemptions will help the schools reduce interest cost. Funds for the early redemption were generated from Gifts, the sale of surplus property and refunding by another bank and issuer.

- University of St. Thomas

The St. Thomas Series 2024 bonds have been subject to various lawsuits related to the sufficiency of environmental review conducted in association with the granting of construction permits for the Arena to be constructed with proceeds of the Series 2024 Bond. The court has requested additional environmental analysis be completed and brought back to the court for final review. That analysis is in process. The University has not been required to stop construction and is continuing to construct the facility, pending further court actions.

Agenda Item V -- 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 VI – New Business

Chair Rowland asked if there were any New Business items from Board members for discussion. Chair Rowland asked Operations Manager Amanda Lee to update the Board on the status of the annual financial audit of Authority operations. Operations Manager Lee noted that the audit was completed in a timely manner and the auditors had no unresolved issues. She noted the auditors complimented the Authority on the thoroughness of the financial records and the timeliness of providing requested documents.

There were new audit staff reviewing the Authority records this year. The audit partner is also new to the Authority account but has significant experience with higher education. The audit was again fully remote, with no need to conduct a physical examination of records.

The auditors reported only one comment, relating to a lack of segregation of duties. Amanda Lee noted that is a recurring finding and is the result of the small staff at the Authority.

Operations Manager Lee noted that the results of the Audit will be presented at the October 16, 2024 meeting of the Authority, and Board members are asked to put that date on their calendars for an in-person meeting.

This concluded the presentation on the FY24 audit. Chair Rowland asked if there were questions for Operations Manager Lee regarding the audit process. There were no questions from Board members.

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:

Legislation

We were successful in our effort to increase our outstanding bond limit from \$1.3 billion to \$2.0 billion. This increase was vital, as we have \$1.28 billion outstanding. We are working on plans for the 2025 legislative session and will provide more information when the plans are defined.

Staffing

The College of St. Scholastica has selected Peter Kendall as the VP for Finance & Strategy.
Northwestern Health Sciences University has appointed Jane Garner as CFO.
Executive Director Fick has reached out to NWSU and Concordia College to introduce MHEFA to them.

Ratings

There are two Moody's update calls scheduled for September.

Conferences

Executive Director, Barry Fick, will be attending the Central Association of College & University Officials (CACUBO) and the National Association of Health and Education Facilities Finance Authorities

(NAHEFFA) in October. Shari Mayer of Carleton is the current President of CACUBO. Barry is the President Emeritus of NAHFFA.

Outreach Engagements

Barry will be meeting with Dunwoody College of Technology staff on August 22. He will also attend the St. Scholastica ribbon cutting for their Student Center on September 3.

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 Board Meeting. A motion to adjourn the meeting was made by Bonnie Anderson Rons. The second was made by Mary Ives.

Chair Rowland 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 2:58 pm.

Respectfully submitted,



Assistant Secretary




1- Minutes for 21 Aug 2024 FINAL

Final Audit Report

2024-11-15

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