



**MINNESOTA**  
HEALTH AND EDUCATION  
FACILITIES AUTHORITY

**Listing of Mailout Material  
March 18, 2026**

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

- I. *Summary of January 21, 2026 Closed Session of the Board*
- II. *Review and approve the minutes of the meeting of January 21, 2026*
  -  **Minutes of January 21, 2026**
- III. *King's Path (Target Holdings), Series 2026 Financing*
  -  **D.A. Davidson Presentation**
  -  **Series Resolution**
- IV. *Concordia College, Moorhead Upcoming Financing*
  -  **Explanatory Outline for Concordia College Moorhead, Series 2026**
- V. *Benedictine Upcoming Financing*
  -  **Explanatory Outline for Benedictine, Series 2026**
- VI. *FY2026 Salary Increases*
  -  **Resolution Authorizing General Salary Increase for FY2026**
  -  **MMB Memo: Salary Adjustments for the 2025-2027 Biennium Year 1**
- VII. *Old Business*
- VIII. *New Business*
- IX. *Other Business*
  -  **February 2026 Budget vs Actual with P&L**



**MINNESOTA**  
HEALTH AND EDUCATION  
FACILITIES AUTHORITY

860 BLUE GENTIAN ROAD SUITE 145, EAGAN, MN 55121

Phone: 651.296.4690 Fax: 651.297.5751

Date: March 11, 2026  
To: Minnesota Health and Education Facilities Authority Board Members  
From: Barry W. Fick, Executive Director  
Subject: March 18, 2026 Authority Board Meeting Preview

Welcome to the March 2026 MHEFA Board meeting. This meeting brings a TEFRA Public Hearing to reflect certain organizational updates to the financing and the concluding portion of the financing request from Coventry Minnesota. We look forward to completing this financing request and the placement of the Note with the purchaser of the Note.

We will also have preliminary discussion of two financings expected to be brought to the Board for consideration at the April meeting. These include a current refunding of outstanding bonds for Concordia College in Moorhead and a new financing request from Benedictine Health for a senior living financing. This is a slight change to our typical process and is necessitated by calendar considerations of the borrowers.

We will also have some administrative items for your consideration and a presentation from the Minnesota Private College Council regarding Minnesota schools.

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, 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.

We look forward to your participation.



**MINNESOTA**  
HEALTH AND EDUCATION  
FACILITIES AUTHORITY

## **Board Meeting Agenda**

**Wednesday, March 18, 2026**

**2:00 PM**

Location: MHEFA Office Lower-Level Conference Room

*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. Summary of January 21, 2026 Closed Session of the Board
- II. Review and approve the minutes of the meeting of January 21, 2026
- III. King's Path (Target Holdings), Series 2026 Financing
  - Public Hearing
  - Series Resolution, *Fryberger – Issuer Counsel*
- IV. Concordia College, Moorhead Upcoming Financing
  - Explanatory Outline, *Kutak Rock – Bond Counsel*
- V. Benedictine Upcoming Financing
  - Explanatory Outline, *Fryberger – Bond Counsel*
- VI. FY2026 Salary Increases
  - Resolution Authorizing General Salary Increase for FY2026
- VII. Old Business
- VIII. New Business
  - April Meeting Date
- IX. Other Business
  - Executive Director's Report

**General Public may attend in-person at the address below, via call-in number: 1-877-978-6969**

**Access Code: 867-271-940# or through this link: [https:// meeting.gomeet.com/867-271-940](https://meeting.gomeet.com/867-271-940)**

**MHEFA, 860 Blue Gentian Road, Lower-Level Conference Room, Eagan, MN 55121**



# MINNESOTA HEALTH AND EDUCATION FACILITIES AUTHORITY

The Minnesota Health and Education Facilities Authority (the “Authority” or “MHEFA”) convened a Board meeting at 2:02 pm Central Standard Time, Wednesday, January 21, 2026.

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 the Authority Offices at Grand Oak I, 860 Blue Gentian Road, Suite 145, Eagan, MN 55121. Executive Director, Barry Fick, was physically present, as well as other Board Members and members of the public, all listed on the following page. 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 Health and Education Facilities Authority**

Meeting on January 21, 2026 Board Actions Taken:

<b>Motions:</b>	<b>Result:</b>	<b>Vote:</b>
Approve Meeting Minutes of December 17, 2025	Passed	Unanimous
Approve Resolution Relating to Financing Terms – Macalester College, Series 2026	Passed	Unanimous
Approve Series Resolution – Macalester College, Series 2026	Passed	Unanimous

<b>Resolutions</b>	<b>Result:</b>	<b>Vote:</b>
Approve Resolution for Operations Manager Salary Increase	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: Bonnie Anderson Rons - IP  
 Gary Benson - IP  
 Mary Ives - V  
 Ken Westphal - V  
 Erich Heppner – IP  
 Dvid Rowland - V  
 Nancy Sampair – IP  
 Paul Cerkvenik, MPCC – V  
 Michelle Scott, OHE - V

Absent: Mikeya Griffin

Other Attendees: Patricia Langer, Macalester College - IP  
 Julie Eddington, Kutak Rock – IP  
 Melanie Johnson, Piper Sandler - IP  
 Rose Anne Valera, US Bank Trust Services – IP  
 Russell Otzenberger, U.S. Bank Trust Services - IP  
 Mark LeMay, Consultant – IP

Stephanie Chichester, North Slope Capital Advisors – V  
Nick Taylor, North Slope Capital Advisors - V

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

Board Chair, Bonnie Anderson Rons, called the meeting order at 2:02 pm CST. Executive Director Fick confirmed that a quorum was present.

### **Agenda Item I – Introduction of New OHE Representative Board Member**

Chair Anderson Rons called on Michelle Scott to introduce herself to the Board. Ms. Scott noted she is the Office of Higher Education Representative to the MHEFA Board. She described her background and her role at OHE. She stated that she is looking forward to being a Board member and working with Authority staff.

Board members introduced themselves and welcomed her to the Authority Board.

### **Agenda Item II – Minutes from December 17, 2025, Board Meeting**

The next item on the agenda was the review and consideration of the minutes of the December 17, 2025 Authority Board meeting.

Chair Anderson Rons asked if there were any changes or edits to the minutes of the December 17, 2025 MHEFA Board meeting. There were no suggested edits to the minutes.

Chair Anderson Rons asked for a motion to accept and approve the December 17, 2025 Minutes. Eric Heppner made a motion to approve the December 17, 2025 minutes. Gary Benson seconded the motion. Chair Anderson Rons asked if there were any questions, discussion, or changes to the minutes of the December 17, 2025 Board meeting.

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

Chair Anderson Rons 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
	Gary Benson	Yes
	Ken Westphal	Yes
	Erich Heppner	Yes
	Nancy Sampair	Yes
	Mary Ives	Yes
	David Rowland	Yes
	Michelle Scott	Yes

There were no votes against the motion and the Minutes of the December 17, 2025, MHEFA Board meeting were approved.

### **Agenda Item III – Macalester Financing Plan & Series Resolution**

Chair Anderson Rons called on Nick Taylor, of North Slope Capital Advisors, Municipal Advisor for the financing, to present their review of the **Finance Plan** for the College. Mr. Taylor reviewed his findings and outlined the project purpose, terms, and general cost. He provided a comprehensive and detailed analysis of the proposed finance terms and outlined the negotiated sale process for the Board.

North Slope’s review of the finance plan, including projected debt schedules prepared by Piper Sandler, the selected underwriter for the financing, have allowed North Slope to conclude that, it is North Slope’s opinion that the financing plan is fiscally feasible, and an adequately secured bond structure can be achieved. North Slope recommends the Authority proceeds with the bond sale process.

Chair Anderson Rons asked if there were any questions from Board members about the Finance Plan Review. There were no questions from Board members.

Chair Anderson Rons asked Bond Counsel to review the **Resolution Relating to Financing Terms for Macalester College** . Ms. Eddington from KutakRock outlined the terms of the Resolution, noting that it recites the purpose of the financing, recites the actions taken to date to prepare for the financing and authorizes the Executive Director of the Authority to proceed with the sale of the bonds and sign any documents required to complete the sale.

Additional items in the Resolution recite that the Board followed appropriate procedures related to the financing request, reviewed appropriate documentation relating to the application of the College, noted the terms of the refinancing and outlined procedural steps that have been taken to date relating to the financing.

The Resolution authorizes the completion of financing documents and authorizes the issuance of revenue bonds of the Authority for the purpose requested by the College. The Executive Director and Bond Counsel are authorized and directed to prepare and submit to the Authority for consideration and approval the appropriate documents for the issuance of bonds for the College.

Ms. Eddington concluded her review of the Resolution. Chair Anderson Rons asked the Board if there were any questions about the Resolution. There were none.

Chair Anderson Rons asked for a motion to accept the **Resolution Relating to Financing Terms** for Macalester College. A motion to approve the Resolution was made by David Rowland. A second to approve the Resolution was made by Nancy Sampair. Chair Anderson Rons called for a vote regarding the acceptance of the Macalester Financing Plan. A roll call vote was conducted, and the Board members voted as follows:

Board Members:	Bonnie Anderson Rons	Yes
	Gary Benson	Yes
	Ken Westphal	Yes
	Erich Heppner	Yes
	Nancy Sampair	Yes
	Mary Ives	Yes
	David Rowland	Yes
	Michelle Scott	Yes

There were no votes against the Resolution and the Resolution was approved.

Chair Anderson Rons asked Bond Counsel to review the **Series Resolution** for Macalester College. Bond Counsel outlined the terms of the Resolution, noting that it recites the purpose of the financing, recites the sale parameters, confirms selection of parties to the financing, recites the actions taken to date to prepare for the financing and authorizes the Executive Director of the

Authority to proceed with the sale of the bonds and sign any documents required to complete the sale.

Ms. Eddington concluded her review of the Resolution. Chair Anderson Rons asked the Board if there were any questions about the Resolution. There were none.

Chair Anderson Rons asked for a motion to accept the **Series Resolution** for Macalester College. A motion to approve the Resolution was made by Gary Benson. A second to approve the Resolution was made by Mary Ives. Chair Anderson Rons called for a vote regarding the acceptance of the **Series Resolution**. A roll call vote was conducted, and the Board members voted as follows:

Board Members:	Bonnie Anderson Rons	Yes
	Gary Benson	Yes
	Ken Westphal	Yes
	Erich Heppner	Yes
	Nancy Sampair	Yes
	Mary Ives	Yes
	David Rowland	Yes
	Michelle Scott	Yes

There were no votes against the Resolution, and the Series Resolution was approved.

#### **Agenda Item IV – Coventry Seven/Target Holdings, Series 2026 Discussion & Update**

Chair Anderson Rons and Executive Director Fick provided an update on the status of the healthcare financings. The financing is moving forward and will be before the Board at a future meeting.

Executive Director Fick noted that a number of Board members participated in a tour of one of the facilities and the tour was very helpful to provide Board members with a better understanding of the operation of the facility.

### **Agenda Item V – Introduction of New Trustee Representative for Healthcare**

Chair Anderson Rons called on Rose Anne Valera of US Bank to introduce a new US Bank Trustee representative who works with healthcare organizations. She introduced the Board to Mr. Russell Otzenberger, who is the Minnesota based US Bank Trustee representative for healthcare organizations.

Mr. Otzenberger introduced himself, gave information about his background and expressed enthusiasm for working with the Authority on healthcare transactions.

### **Agenda Item VI – Old Business**

Chair Anderson Rons 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 VII – New Business**

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

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

### **Agenda VIII – Other Business**

Chair Anderson Rons called upon Executive Director Fick to discuss Other Business and present the Executive Directors Report. Executive Director Fick noted that the Authority continues to be busy with healthcare inquiries and higher education financings.

Chair Anderson Rons called upon Operations Manager Amanda Lee to discuss the year-to-date budget vs. actual expenses report. Operations Manager Lee reminded the Board of the new presentation format, showing separate reports for Administrative, Higher Education, and Healthcare operations. The allocation of expenditures between the three components is not finalized since this is the first year of the separate lines of business reporting.

Chair Anderson Rons asked if there was any Other Business to come before the Board. There was no Other Business for the Board to consider, and Chair Anderson Rons 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 2025 – January 2026. The motion to adjourn the Board meeting and move to a closed session was made by Nancy Sampair and seconded by Mary Ives.

Chair Anderson Rons called for a voice vote regarding the adjournment of the regular meeting and move to a closed session. A Voice vote was conducted, and the Board members voted to adjourn the regular meeting and reconvened 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 the closed session Executive Director Fick reviewed the Performance Assessment form filled out by Amanda and Executive Director Fick. Board members also provided input in 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, Chair Anderson Rons asked for Board action on the Resolution Authorizing Performance-Based Salary Increase Under Managerial Plan 2023-2025 for Operations Manager Amanda G. Lee.

Erich Heppner made a motion to approve and accept the Resolution Authorizing Performance-Based Salary Increase Under Managerial Plan 2023-2025. Gary Benson seconded the motion. Chair Anderson Rons asked if there were any questions, discussion, or changes regarding the Resolution.

Board members noted in discussing the Resolution that they are 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 Anderson Rons 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:

Board Members:	Bonnie Anderson Rons	Yes
	Gary Benson	Yes
	Ken Westphal	Yes
	Erich Heppner	Yes
	Nancy Sampair	Yes
	Mary Ives	Yes
	David Rowland	Yes
	Michelle Scott	Yes

There were no votes against the motion and the **Resolution Authorizing Performance-Based Salary Increase** Under Managerial Plan 2023-2025 was approved.

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.

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 Anderson Rons 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 for the Board to consider. A motion to adjourn the regular board meeting was made by Nancy Sampair with a second provided by Eric Heppner. The Board acted by voice vote to adjourn the meeting.

Respectfully submitted,

-----  
Assistant Secretary



\$118,400,000\*

MINNESOTA HEALTH AND EDUCATION FACILITIES AUTHORITY  
SENIOR LIVING REVENUE BONDS, SERIES 2026  
(KINGSPATH TARGET HOUSING OF MINNESOTA, LLC)

ISSUER UPDATE



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## ADDITIONAL INFORMATION

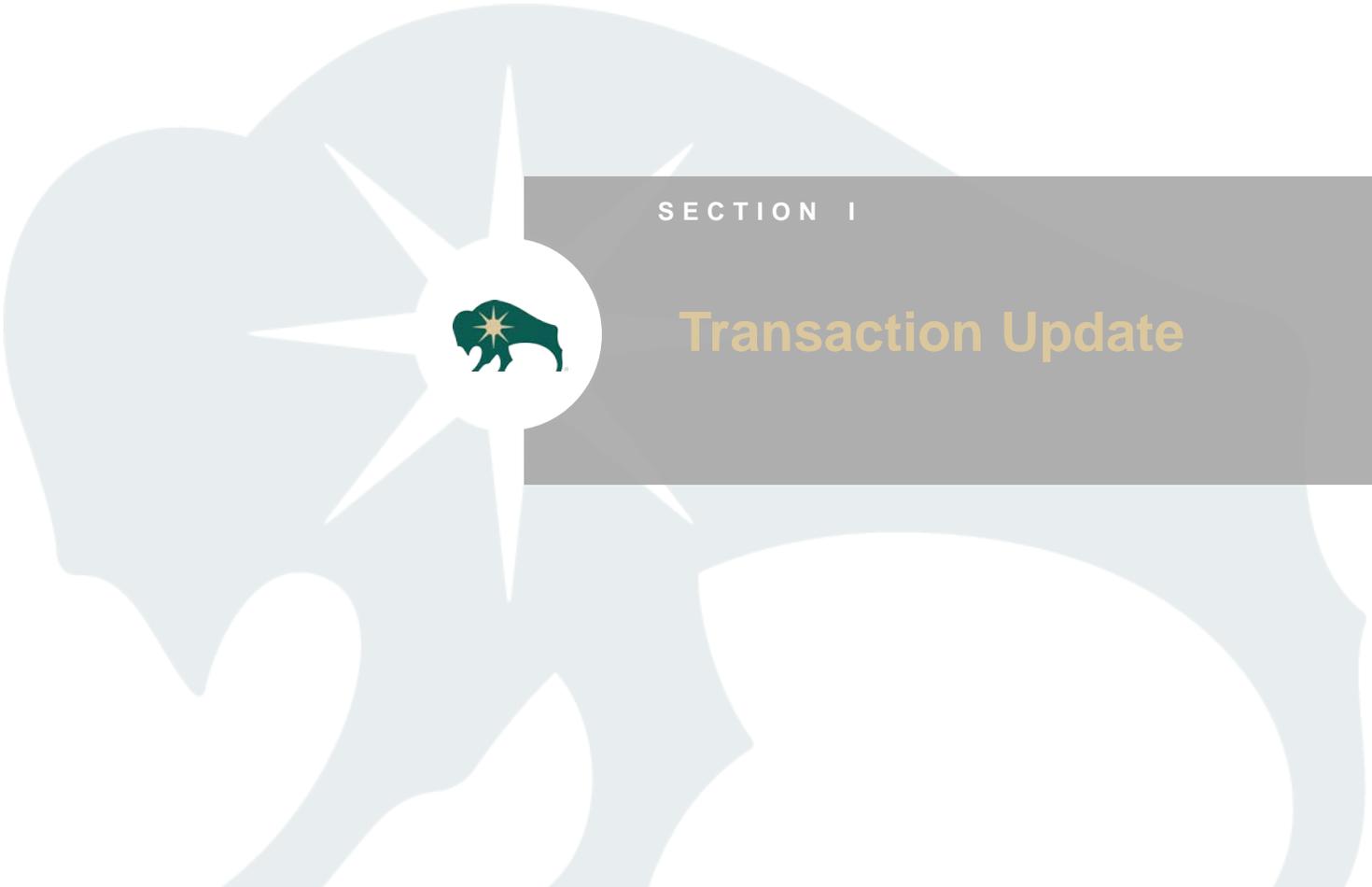
*Please direct all questions regarding the Borrower or the Transaction to:*

**Romy McCarthy**  
*Managing Director*  
(414) 651-5559  
rmccarthy@dadco.com

**Rick Lohr**  
*Managing Director*  
*Head of Senior Living and Structured Housing*  
(832) 421-2225  
rlohr@dadco.com

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- II. Key Parties**
- III. Portfolio Overview**
- IV. Projected Financial Performance**



SECTION I



Transaction Update



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# Transaction Overview for MHEFA Final Approval

- **Parent:** KingsPath Senior Ministries, Inc.
  - Minnesota not-for-profit corporation formed in 2018
- **Borrower:** Target Housing of Minnesota, LLC
  - Target Properties of Brooklyn Park, LLC
  - Target Properties of Burnsville, LLC
  - Target Properties of Crystal, LLC
  - Target Properties of Lakeville, LLC
  - Target Properties of Maple Grove, LLC
  - Target Properties of Ramsey, LLC
  - Target Properties of West St. Paul, LLC
- **Use of Proceeds:** Acquisition to refinance outstanding debt, fund a Debt Service Reserve Fund and pay Costs of Issuance
- **Par:** \$118,400,000\*

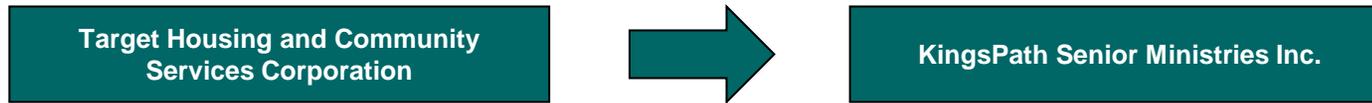
○ Tax-Exempt Senior Debt Series 2026A-1	\$91,500,000*
○ Taxable Senior Debt, Series 2026A-2	\$1,995,000*
○ Tax-Exempt Subordinate Debt Series 2026B	\$24,905,000*



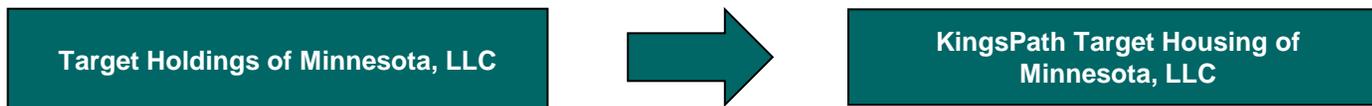
# Transaction Update: What Has Changed?

- **Improvements to the Transaction**

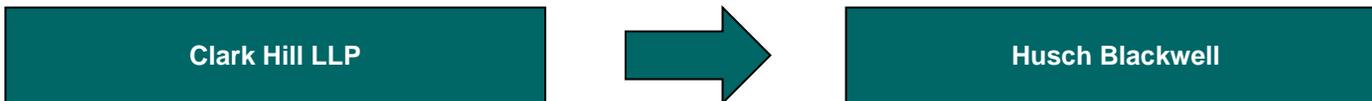
- Change from a new parent, to an existing 501(c)(3) parent with pre-existing operations and a mission consistent with the project.



- New special purpose entity borrower (owned by Kingspath) for this transaction.



- Change to KingsPath Borrower's Counsel



- Simplification of Transaction



- Manager Counsel (MN Experience)



- Investor (More Favorable Financing Terms)





# Term Sheet Comparison

	<u>AllianceBernstein</u>	<u>Barclays</u>
Par Amount (Senior Bonds)	\$93,145,000	\$94,740,000
Commitment	100% of senior bonds	100% of senior bonds
Interest Rate	6.375% - 6.75%	7.00% - 7.25%
Annual Debt Service	\$6,581,150	\$7,302,800
Projected Debt Service Coverage	1.36x	1.25x
Upfront Purchaser's Fee	None	1.75% of par amount
<b>Covenants</b>		
Debt Service Coverage	1.20x	1.20x
Days Cash on Hand	<ul style="list-style-type: none"> <li>• 30 days cash on hand (tested on June 30, 2026 through December 31, 2027)</li> <li>• 60 days cash on hand (tested on June 30, 2028; thereafter)</li> </ul>	<ul style="list-style-type: none"> <li>• 30 days cash on hand (tested on June 30, 2026 through December 31, 2026)</li> <li>• 60 days cash on hand (tested on June 30, 2027 through December 31, 2027)</li> <li>• 75 days cash on hand (tested on June 30, 2028; thereafter)</li> </ul>
Occupancy Covenant	80%	80%
Additional Debt Provision	1.20x	1.20x

- No change in overall structure of Transaction or Use of Proceeds
  - Lower cost of capital
  - Elimination of fees
  - Favorable covenants



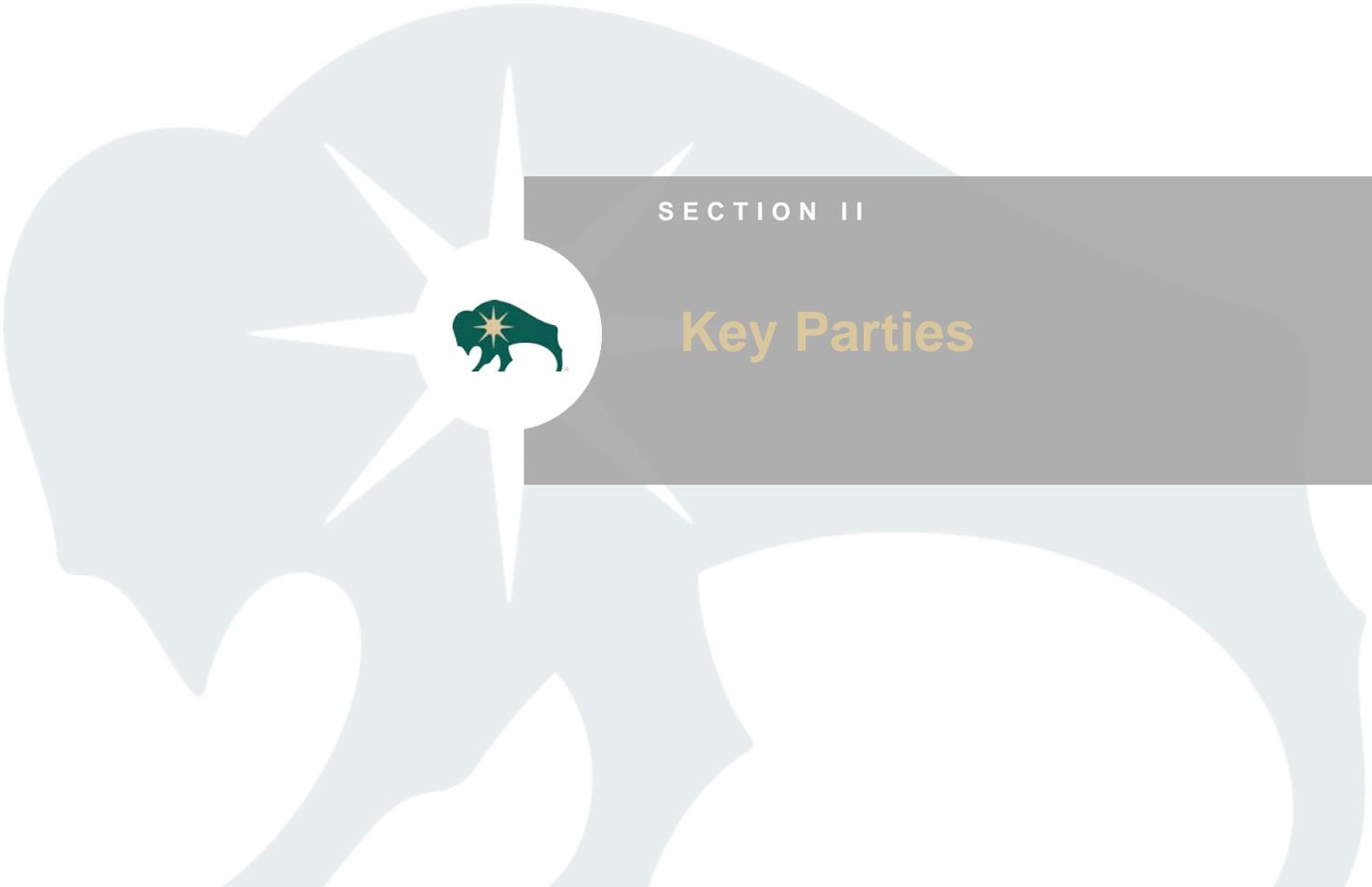
# Financing Overview\*

	Series 2026A-1	Series 2026A-2	Series 2026B	Total
<b>Sources:</b>				
Par Amount*	\$91,500,000	\$1,995,000	\$24,905,000	\$118,400,000
Original Issue Discount	(1,350,401)	-	-	(1,350,401)
Capital Contribution	700,000	-	-	700,000
<b>Total Sources</b>	<b>\$90,849,599</b>	<b>\$1,995,000</b>	<b>\$24,905,000</b>	<b>\$117,749,599</b>
<b>Uses:</b>				
Refinance Bank Debt	\$76,568,476	-	-	\$76,568,476
Refinance Seller Note	\$3,095,933	-	-	\$3,095,933
Deferred Purchase Price	-	-	\$24,900,591	\$24,900,591
<b>Total Purchase Price</b>	<b>\$79,664,409</b>	<b>-</b>	<b>\$24,900,591</b>	<b>\$104,565,000</b>
Working Capital	2,800,000	-	-	2,800,000
Debt Service Reserve Fund	6,581,150	-	-	6,581,150
Costs of Issuance/Rounding	1,804,040	1,995,000	4,409	3,803,449
<b>Total Uses</b>	<b>\$90,849,599</b>	<b>\$1,995,000</b>	<b>\$24,905,000</b>	<b>\$117,749,599</b>

Series 2026A-1/A-2   SENIOR BONDS	Series 2026B   SUBORDINATE BONDS
<b>Tax Status:</b> Tax-exempt / Taxable	<b>Tax Status:</b> Tax-Exempt
<b>Par Amount*:</b> \$91,500,000 / \$1,995,000	<b>Par Amount*:</b> \$24,905,000
<b>Historical Pro Forma MADS Coverage (T-12):</b> 1.12x	<b>Historical Pro Forma MADS Coverage (T-12):</b> n/a
<b>2027 Series A AADS Coverage:</b> 1.47x	<b>2027 Series A/B AADS Coverage:</b> 1.17x
<b>DSRF:</b> Equal to MADS	<b>DSRF:</b> None
<b>Final Maturity:</b> 2061	<b>Final Maturity:</b> 2061
<b>Distribution:</b> Public Offering	<b>Distribution:</b> Fully-Committed / Purchased by Coventry Holdings
<b>Security:</b> First mortgage and gross revenue pledge, etc	<b>Security:</b> Second Mortgage and subordinate to senior bonds in all respects

## TIMELINE

Feb/Mar	Mar. 18 <sup>th</sup>	Late-March	Mar. 31 <sup>st</sup>
<i>Bond Documentation</i>	<i>Issuer Meeting / Final Approval</i>	<i>Price Bonds and Execute BPA</i>	<i>Closing*</i>



SECTION II

# Key Parties





# Parent: KingsPath Senior Ministries

**KingsPath Senior Ministries Inc.  
(Parent)d**



- KingsPath Senior Ministries (“KingsPath”) was formed in 2018 to respond to a growing demand from congregations, non-profit organizations and developers to help maximize land stewardship and development.
  - The mission of the KingsPath is to help grow Christian based health care, senior housing, disability housing, affordable housing and veteran housing.
- KingsPath is governed by a Board of Directors where the number of Directors is permitted to be increased and decreased from time to time but cannot be less than three or more than twelve.
- Current Board consists of the following members:

CURRENT BOARD OF DIRECTORS		
<b>Mr. Philip C. Babler</b> Chairman and Director	<b>Ms. Sarah Gasper</b> Treasurer and Director	<b>Rev. Dr. Larry Myers</b> Director
<b>Mr. Matt Burow</b> Director	<b>Mr. Michael Klatt</b> Director	

- KingsPath has developed or acquired four (4) senior living communities since its formation and has plans to continue to acquire as well as develop in the future.
- The Parent currently owns and operates two additional facilities in the senior housing market. This includes a 55-unit independent living community in Lakeville, Minnesota (developed in 2019) and a 55-unit independent living community in Belle Plaine, Minnesota (acquired in 2017). These campuses are separate and distinct from the KingsPath Target Housing portfolio and will not be obligated on the proposed debt.



# Master Developer: Coventry Holdings of Minnesota, LLC

- Coventry Holdings of Minnesota, LLC (“Coventry”) acts as the master developer for each community and manages all aspects of real estate development, project financing and construction management.
- Development Strategy
  - Focused on suburban locations in and around Minneapolis/St. Paul, Minnesota
  - The primary market area is divided into quadrants (NW, NE, SW, SE)
  - Each quadrant has a 15-mile radius in which 6-8 identical communities are developed
  - The quadrants provide operational economies of scale
    - **Employees:** Suite Living (the “Manager”) can easily flex staff based on occupancy and acuity within the quadrant
    - **Residents:** Natural cross-pollination of prospective residents within each quadrant to manage census
- Proven Results
  - Since 2017, Coventry has developed 21 senior care communities located in the suburbs of Minneapolis-St. Paul
  - Coventry has identified several locations to develop new communities in 2026-2027 consistent with their strategic growth plan.

## Planned Communities (2026 / 2027)

- Chaska (2026 under const)
- Coon Rapids
- Dayton
- Corcoran (2026 under const)
- Mounds View
- Hastings (2026 under const)
- Mendota Heights



# Manager: Suite Living Senior Care, Inc.



## Total Communities

Suite Living Senior Care, Inc. (“Suite Living”) currently operates 21 high acuity senior care communities located in submarkets of Minneapolis / St Paul.

Ownership: Joel Larson and Jeremy Larson



## Range

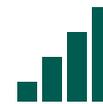
All of the communities within the Coventry portfolio are managed by Suite Living Senior Care through 3 integrated divisions

- Suite Living Senior Care
- Suite Living Hospice Care
- Suite Living Spiritual Care



## Management Agreement

Management Agreement is 5.0% of gross monthly operating revenues (4% base, 1% incentive). Management fee will be 100% subordinate to debt service.



## Community Occupancy

The Coventry portfolio had an average occupancy of 87.17% as of 12/31/2025.

## KEY LEADERSHIP



**Joel Larson, Chief Executive Officer, (63)**, serves as the CEO for the Manager and the other Suite Living management companies. Mr. Larson has over 35 years’ experience in the real estate industry, including the management, development and construction of quality housing in various communities in Minnesota, Wisconsin, Iowa, Michigan and Illinois. During the past 20 years, Mr. Larson has specialized in developing senior housing rental projects, creating hundreds of for sale and rental senior housing units. He has extensive charitable involvement and also serves on the Minnesota State Housing Board.

**Larry Mattson, Chief Operating Officer, (55)**, currently serves as the COO and manages all operations of Coventry Holdings, State Holdings and Suite Living management companies. Mr. Mattson is a graduate of North Dakota State University with a degree in Accountancy. Mr. Mattson served in the US Army stationed overseas for 4 years before completing his studies at NDSU. He has over 25 years of professional experience in Accounting relating to Financial Reporting, Budgeting, GAAP, Internal and External Audits. Mr. Mattson has 10 years’ experience as Controller, managing the Accounting Cycle, AP, AR and Human Resources. Mr. Mattson has 3 years of COO experience creating and overseeing all operations; Finance, HR, Marketing, Recruiting, and Operations for Suite Living.

**Audrey McElwain, Executive Director of Operations (41)**, serves as the Executive Director of Operations for the Manager and the other Suite Living management companies. Ms. McElwain is a graduate of St. Cloud State University with a degree in Advertising/Marketing and Business Management. She has over 20 years of experience in the senior housing industry with extensive experience in operations, staff training, nursing, dietary, marketing, assisted living and memory care facilities. During this period, Ms. McElwain actively managed nineteen senior care facilities that provides a total of over 601 units. She is a Licensed Assisted Living Director and is active with industry associations including local Chambers of Commerce, Assisted Living Federation of America (ALFA), Alzheimer’s Association, Care Options and Leading Age.



SECTION III

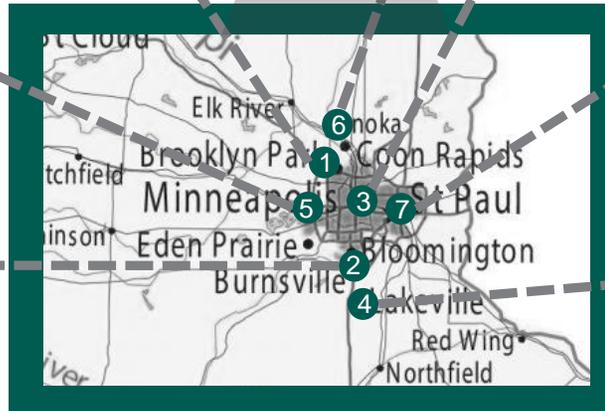
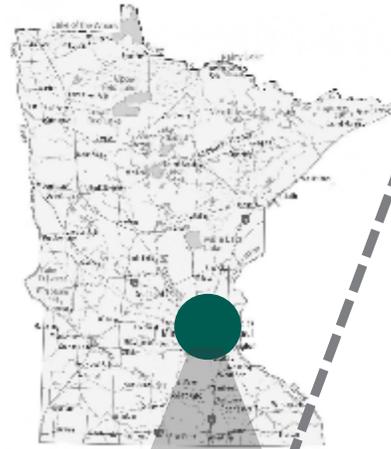


**Portfolio Overview**



# Portfolio Overview

Community	Location (City)	Location (County)
1 Suite Living of Brooklyn Park	Brooklyn Park, Minnesota	Hennepin County
2 Suite Living of Burnsville	Burnsville, Minnesota	Dakota County
3 Suite Living of Crystal	Crystal, Minnesota	Hennepin County
4 Suite Living of Lakeville	Lakeville, Minnesota	Dakota County
5 Suite Living of Maple Grove	Maple Grove, Minnesota	Hennepin County
6 Suite Living of Ramsey	Anoka, Minnesota	Anoka County
7 Suite Living of West St. Paul	West St. Paul, Minnesota	Dakota County





SECTION IV

# Projected Financial Performance





# Projected Performance (Debt Service Coverage Ratio)\*

DEBT SERVICE COVERAGE RATIO	2026	2027	2028	2029	2030
CHANGE IN NET DEFICIT WITHOUT DONOR RESTRICTIONS	\$ (3,566)	\$ (2,918)	\$ (2,345)	\$ (1,985)	\$ (1,608)
NON-CASH ITEMS AND ADJUSTMENTS:					
Interest Expense   Series 2026 Bonds	5,691	5,928	5,857	5,741	5,574
Interest Expense on Subordinated Debt	1,524	1,589	1,589	1,629	1,714
Goodwill Amortization	1,309	1,309	1,309	1,309	1,309
Depreciation	3,089	3,112	3,136	3,149	3,161
<b>INCOME AVAILABLE FOR DEBT SERVICE</b>	<b>\$ 8,047</b>	<b>\$ 9,020</b>	<b>\$ 9,546</b>	<b>\$ 9,843</b>	<b>\$ 10,150</b>
<b>ANNUAL DEBT SERVICE   SERIES 2026A BONDS ONLY</b>	<b>\$ 3,812</b>	<b>\$ 6,126</b>	<b>\$ 6,581</b>	<b>\$ 6,580</b>	<b>\$ 6,581</b>
<b>ANNUAL DEBT SERVICE COVERAGE RATIO - SENIOR</b>	<b>2.11</b>	<b>1.47</b>	<b>1.45</b>	<b>1.50</b>	<b>1.54</b>
DEBT SERVICE REQUIREMENTS					
Series 2026A-1 - Senior Bonds (Tax-Exempt)	3,713	5,967	5,977	5,976	5,981
Series 2026A-2 - Senior Bonds (Taxable)	99	160	605	604	601
Series 2026B - Subordinate	1,168	2,415	2,748	3,107	3,284
<b>ANNUAL DEBT SERVICE   SERIES 2026 BONDS</b>	<b>\$ 4,980</b>	<b>\$ 8,541</b>	<b>\$ 9,329</b>	<b>\$ 9,687</b>	<b>\$ 9,866</b>
<b>ANNUAL DEBT SERVICE COVERAGE RATIO - SERIES 2026</b>	<b>1.61</b>	<b>1.06</b>	<b>1.02</b>	<b>1.02</b>	<b>1.03</b>



## Projected Performance (Days Cash on Hand)\*

<b>DAYS CASH ON HAND</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
CASH AND CASH EQUIVALENTS	\$ 4,616	\$ 3,772	\$ 4,898	\$ 4,975	\$ 5,043
TOTAL OPERATING EXPENSES	\$ 25,566	\$ 27,719	\$ 28,125	\$ 28,531	\$ 28,943
NON-CASH ADJUSTMENTS:					
Unpaid Accrued Interest on the Subordinated Debt	-	-	-	-	-
Depreciation	(3,089)	(3,112)	(3,136)	(3,149)	(3,161)
Amortization of Goodwill	(1,257)	(1,257)	(1,257)	(1,257)	(1,257)
Amortization of Deferred Financing Fees	(23)	(23)	(23)	(23)	(23)
Amortization of Original Issue Discount	(45)	(45)	(45)	(45)	(45)
<b>ADJUSTED OPERATING EXPENSES</b>	<b>\$ 21,152</b>	<b>\$ 23,464</b>	<b>\$ 23,910</b>	<b>\$ 24,329</b>	<b>\$ 24,757</b>
DAILY OPERATING EXPENSES	\$ 57.95	\$ 64.28	\$ 65.51	\$ 66.65	\$ 67.83
<b>NUMBER OF DAYS OF CASH ON HAND</b>	<b>80</b>	<b>75</b>	<b>75</b>	<b>75</b>	<b>75</b>



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# QUESTIONS?



SERIES RESOLUTION  
APPROVING THE ISSUANCE AND SALE OF REVENUE BONDS  
(KINGSPATH TARGET HOUSING OF MINNESOTA PROJECT), SERIES  
2026

BE IT RESOLVED by the Minnesota Health and Education Facilities Authority as follows:

- Section 1. Definitions. The terms used in this resolution (1) have the meanings assigned below or (2) the meanings assigned to them in the Bond Indentures or the Loan Agreements, unless the context, use or the rules of grammar indicate another or differing meaning or intent:
- a. Act: shall mean Minnesota Statutes, Section 15D, as amended.
  - b. Authorized Officers: shall mean the Chair or Vice Chair and the Secretary or Assistant Secretary of the Issuer or the officers authorized to act for the foregoing officers.
  - c. Bond Counsel: shall mean Kutak Rock LLP, or an attorney or firm of attorneys experienced in the field of municipal bonds the opinions of whom or which are generally accepted by purchasers of municipal bonds, selected or employed by the Issuer and acceptable to the Bond Trustee.
  - d. Bond Documents: shall mean, collectively, the Issuer Documents, the Borrower Documents and the Bonds.
  - e. Bond Indentures: shall mean together, the Series 2026A Bond Indenture and Subordinate Bonds Indenture, as amended or supplemented.
  - f. Bond Purchase Agreements: shall mean, together, the Bond Purchase Agreement related to the Series 2026A Bonds to be entered into among the ALLIANCEBERNSTEIN L.P, the Issuer and Borrower, and the Bond Purchase Agreement related to the Subordinate Bonds to be entered into between Coventry Holdings or its affiliate, the Issuer and the Borrower, or individually, a “Bond Purchase Agreement.”
  - g. Bond Trustee: shall mean UMB Bank, N.A., and any successor to its duties under the Bond Indenture.
  - h. Bonds: shall mean together the Series 2026A Bonds and the Subordinate Bonds.
  - i. Borrower: shall mean KingsPath Target Housing of Minnesota, LLC, a Minnesota limited liability company, the sole member of which is KingsPath, and its successors or assigns.

- j. Borrower Documents: shall mean, collectively, the Loan Agreements, the Master Indenture, Series 2026 Notes, the Series 2026B Subordinate Note, the First Supplemental Indenture, the Second Supplemental Indenture, the Tax Regulatory Agreement, the Mortgages, the Bond Purchase Agreements, the Continuing Disclosure Agreement, and together with all other documents or instruments executed by the Borrower evidencing or securing the Borrower's obligations under the Loan Agreement and the Master Indenture, in each case as the same may be amended and supplemented from time to time.
- k. Continuing Disclosure Agreement: shall mean the Continuing Disclosure Agreement or Undertaking dated as of or after March 1, 2026, by and among the Borrower, KingsPath and Digital Assurance Certification, L.L.C., as dissemination agent, as amended from time to time, to provide continuing disclosure by the Borrower.
- l. Executive Director: shall mean the Executive Director of the Issuer. The term shall include the Chair or the Vice Chair of the Issuer Board whenever, by reason of absence, illness, or other reason, the Executive Director of the Issuer is unable to act.
- m. Facilities: shall mean the assisted living facilities located at: (i) 8500 Regent Avenue North, Brooklyn Park, Hennepin County, Minnesota 55443 owned by Target Properties of Brooklyn Park, LLC ("*Target Brooklyn Park*"), (ii) 1880 East 134th Street East, Burnsville, Dakota County, Minnesota 55337 owned by Target Properties of Burnsville, LLC ("*Target Burnsville*"), (iii) 3501 Douglas Drive North, Crystal, Minnesota 55422 owned by Target Properties of Crystal, LLC ("*Target Crystal*"), (iv) 20949 Keokuk Avenue, Lakeville, Minnesota 55044 owned by Target Properties of Lakeville, LLC ("*Target Lakeville*"), (v) 7010 Alvarado Ln. N., Maple Grove, Hennepin County, Minnesota 55311 owned by Target Properties of Maple Grove, LLC ("*Target Maple Grove*"), (vi) 7007 139th Ln., Ramsey, Anoka County, Minnesota 55303 owned by Target Properties of Ramsey, LLC ("*Target Ramsey*"), and (vii) 938 S. Robert St., West St. Paul, Dakota County, Minnesota 55118 owned by Target Properties of West St. Paul, LLC ("*Target West St. Paul*").
- n. First Supplemental Indenture: shall mean the First Supplemental Indenture to the Master Indenture dated as of or after March 1, 2026, by and among the Obligated Group and the Master Trustee, creating and authorizing the issuance of the Series 2026A Notes.
- o. Governing Body: shall mean the members of the Minnesota Health and Education Facilities Authority.

- p. Issuer: shall mean the Minnesota Health and Education Facilities Authority, an agency of the State.
- q. Issuer's Counsel: shall mean Fryberger, Buchanan, Smith & Frederick, P.A.
- r. Issuer Documents: shall mean, collectively, the Loan Agreements, the Tax Regulatory Agreement, the Bond Indentures and the Bond Purchase Agreements.
- s. KingsPath: shall mean the Parent.
- t. Limited Offering Memorandum: shall mean the Limited Offering Memorandum relating to the Bonds.
- u. Loan Agreements: shall mean, together, the Series 2026A Bonds Loan Agreement and the Subordinate Bonds Loan Agreement.
- v. Master Indenture: shall mean the Master Trust Indenture dated as of or after March 1, 2026, by and between the Obligated Group and the Master Trustee, as the same may be amended or supplemented from time to time in accordance with the provisions thereof, including pursuant to the provisions of the First Supplemental Indenture.
- w. Master Notes: shall mean, together, the Series 2026A-1 Note, the Series 2026A-2 Note and the 2026B Subordinate Note.
- x. Master Trustee: shall mean UMB Bank, N.A., and its successors in the trust created under the Master Indenture.
- y. Mortgages: shall mean the Series 2026A Bonds Mortgage and the Subordinate Bonds Mortgage.
- z. Obligated Group: shall mean, collectively, the Obligated Group Representative, *Target Brooklyn Park*, *Target Burnsville*, *Target Crystal*, *Target Lakeville*, *Target Maple Grove*, *Target Ramsey* and *Target West St. Paul*, each a Minnesota limited liability company and the sole member of each of which is the Borrower and any other Person who has satisfied the requirements set forth in the Master Indenture for becoming an Obligated Group Member and its successors until any such Person or a successor or transferee Person satisfies the requirements set forth in the Master Indenture for ceasing to be an Obligated Group Member.
- aa. Obligated Group Representative: shall mean KingsPath Target Housing of Minnesota, LLC, or such other member of the Obligated Group as the then incumbent Obligated Group Representative shall designate as a successor by an Officer's Certificate delivered to the Master Trustee.

- bb. Parent: shall mean KingsPath Senior Ministries Inc., a Minnesota nonprofit corporation, the sole member of the Borrower.
- cc. Paying Agent: shall mean the banks or trust companies and their successors designated as the paying agencies or places of payment for the Bonds. UMB Bank, N.A. is designated as the initial Paying Agent.
- dd. Person: shall have the meaning assigned in the Master Indenture.
- ee. Project: shall mean the acquisition of the Facilities.
- ff. Purchasers: shall mean together the Series 2026A Bonds Purchaser and the Subordinate Bonds Purchaser.
- gg. Registrar: shall mean the Bond Trustee or the successor registrar, which may thereafter be designated by the Issuer.
- hh. Second Supplemental Indenture: shall mean the Second Supplemental Indenture to the Master Indenture dated as of or after March 1, 2026, by and among the Obligated Group and the Master Trustee, creating and authorizing the issuance of the 2026B Subordinate Note.
- ii. Series 2026A Bond Indenture: the Bond Indenture related to the Series 2026A Bonds to be entered into between Issuer and the Bond Trustee authorizing the Series 2026A Bonds.
- jj. Series 2026A Bonds: shall mean collectively, the Series 2026A-1 Bond and the Series 2026A-2 Bond.
- kk. Series 2026A Bonds Mortgage: shall mean the Combination Mortgage, Security Agreement, Fixture Financing Statement and Assignment of Leases and Rents, dated as of or after March 1, 2026, pursuant to which the Borrower will grant a mortgage lien to the Master Trustee on certain real property and improvements comprising the Project.
- ll. Series 2026A Bonds Purchaser: shall mean ALLIANCEBERNSTEIN L.P.
- mm. Series 2026A-1 Bond: the Issuer's Senior Living Revenue Bonds (KingsPath Target Housing of Minnesota Project), Series 2026A-1 authorized under the Series 2026A Bond Indenture.
- nn. Series 2026A-2 Bond: the Issuer's Senior Living Revenue Bonds (KingsPath Target Housing of Minnesota Project), Series 2026A-2 (Federally Taxable), authorized under the Series 2026A Bond Indenture.

- oo. Series 2026A Bonds Loan Agreement: shall mean the Loan Agreement of even date herewith related to the Series 2026A Bonds by and among the Issuer and the Borrower, and if amended or supplemented, such Loan Agreement as so amended or supplemented.
- pp. Series 2026A Notes: shall mean, collectively, the Series 2026A-1 Note and the Series 2026A-2 Note.
- qq. Series 2026A-1 Note: shall mean the KingsPath Target Housing of Minnesota Series 2026A-1 Note created and issued by the Obligated Group pursuant to the First Supplemental Indenture, delivered to the Bond Trustee and securing the Series 2026A-1 Bond.
- rr. Series 2026A-2 Note: shall mean the KingsPath Target Housing of Minnesota Series 2026A-2 Note created and issued by the Obligated Group pursuant to the First Supplemental Indenture, delivered to the Bond Trustee and securing the Series 2026A-2 Bond.
- ss. Series 2026B Subordinate Note: shall mean the KingsPath Target Housing of Minnesota, Series 2026B Note created and issued by the Obligated Group pursuant to the Second Supplemental Indenture, delivered to the Bond Trustee and securing payment of the Subordinate Bonds.
- tt. State: shall mean the State of Minnesota.
- uu. Subordinate Bonds: the Issuer's Senior Living Revenue Bonds (KingsPath Target Housing of Minnesota Project), Subordinate Series 2026B authorized under the Subordinate Bonds Indenture.
- vv. Subordinate Bonds Indenture: shall mean the Bond Indenture related to the Subordinate Bonds to be entered into between Issuer and the Bond Trustee authorizing the Subordinate Bonds.
- ww. Subordinate Bonds Loan Agreement: shall mean the Loan Agreement of even date herewith related to the Subordinate Bonds by and among the Issuer and the Borrower and if amended or supplemented, such Loan Agreement as so amended or supplemented.
- xx. Subordinate Bonds Mortgage: shall mean the Combination Mortgage, Security Agreement, Fixture Financing Statement and Assignment of Leases and Rents, dated as of or after March 1, 2026, pursuant to which the Borrower will grant a subordinate mortgage lien to the Master Trustee on certain real property and improvements comprising the Project.
- yy. Subordinate Bonds Purchaser: shall mean Coventry Holdings of Minnesota LLC.

- zz. Tax Regulatory Agreement: shall mean the Tax Regulatory Agreement dated the closing date between the Borrower and the Issuer.
- aaa. Undertaking: shall mean (i) the Project; (ii) finance working capital costs directly related to the Project; (iii) fund required reserves; and (iv) pay the costs of issuance of the Bonds.
- bbb. Underwriter: shall mean D.A. Davidson & Co.

Section 2. Summary of the Documents. Bond Counsel has provided the following information relating to the Documents:

- a. In the *Bond Indentures*, the Issuer pledges and grants a security interest to the Bond Trustee in all of its right, title, and interest in the Loan Agreements (except for certain rights of the Issuer to payment, indemnification and enforcement) and all moneys on deposit with the Bond Trustee under the Bond Indentures, for the benefit of the owners of the Bonds authorized to be issued under such Bond Indenture. The Bond Indentures set forth the terms and conditions, covenants, rights, obligations, duties and agreements of the owners of the Bonds, the Issuer and the Bond Trustee.
- b. In the *Loan Agreements*, the Issuer loans the proceeds of the Bonds referenced therein to the Obligated Group and the Obligated Group agrees to repay the loans in the amounts and at the times required to pay the principal of, premium, if any, and interest on the related Bonds in full when due. In addition, the Loan Agreements contain provisions requiring the Obligated Group to pay the administrative and legal costs incurred by the Issuer in connection with the Bonds (including post-issuance expenses, if any) and the Issuer's administrative fee required by the Issuer as a condition to issue the Bonds. In addition, the Obligated Group agrees and are obligated to indemnify, provide reports, and permit enforcement by the Issuer of its rights under the Loan Agreements.
- c. The Obligated Group's payment obligations under the Loan Agreements are proposed to be secured by the *Master Notes*, issued by the Obligated Group Representative under and according to the terms of the *Master Indenture* and payable and secured under the Master Indenture on the same basis as all other obligated group notes. One Obligated Group Note will be issued in a stated principal amount equal to the stated principal amount of each series of the Bonds and will bear interest at the rate or rates payable from time to time on such series of the Bonds. Each member of the Obligated Group is jointly and severally liable for payment of the Master Notes. The Master Notes are payable to the Bond Trustee. Each member of the Obligated Group will also grant or join in a mortgage on its real property and equipment, as applicable, to secure payment of the Master

Notes; provided that the Subordinate Bond Mortgage will be subordinate to the Series 2026A Bonds Mortgage.

- d. The *First Supplemental Indenture* is required under the Master Indenture to authorize issuance of the Series 2026A Notes and to establish the terms of the Series 2026A Notes.
- e. The *Second Supplemental Indenture* is required under the Master Indenture to authorize issuance of the Series 2026B Subordinate Note and to establish the terms of the Series 2026B Subordinate Note.
- f. As required by the Code, the Issuer and Borrower will execute the Tax Regulatory Agreement, in customary form prepared by Bond Counsel to demonstrate compliance with the conditions required for interest on the Series 2026A-1 Bond and Subordinate Bonds to be excludable from the gross income of the owners of the Series 2026A-1 Bond and Subordinate Bonds for federal income tax purposes. All of the Issuer's representations made in the Tax Regulatory Agreement are based on facts provided by Borrower.
- g. In the *Continuing Disclosure Agreement*, the Obligated Group Representative agrees to make information on the financial condition and operations of the Obligated Group publicly available through the Municipal Securities Rulemaking Board.
- h. In the *Bond Purchase Agreements*, the Issuer agrees to sell and the Purchasers agree to purchase the Bonds, subject to the terms and conditions set forth in the respective Bond Purchase Agreement.

Section 3. Recitals Regarding Proceedings and Findings. The Board makes the following recitals of fact:

- a. The Issuer acknowledges receipt of an Application for Financing of the Borrower and exhibits thereto, including an Indemnity Agreement and application fee in the amount of \$1,000. The Executive Director of the Authority and Issuer's Counsel, have reviewed the Application and the exhibits thereto, and recommend that the Authority approve the Application as submitted, subject to the conditions herein set forth.
- b. the Issuer held a public hearing on the Projects and the financing and refinancing thereof on March 18, 2026, and all persons in attendance wishing to speak on the proposed issuance of the Bonds and the proposal of the Obligated Group to undertake and finance the Undertaking, if any, were given an opportunity to do so.

- c. The Borrower is a limited liability company and is a health care organization authorized to operate a health care facility in the state, eligible to be a participating health care facility under Sections 15D.01 to 15D.18 of the Act.
- d. The Project is intended for the benefit of the people of the state, the increase of their commerce, welfare and property and the improvement of their health and living conditions; it is essential that health care organizations in Minnesota be provided with appropriate additional means to establish, acquire, construct, improve and expand health care facilities in furtherance of their purpose and will otherwise carry out the purposes and policies of the Act.
- e. It is purpose of the Act to provide a measure of assistance and an alternative method to enable health care organizations to provide the facilities and structures which are sorely needed to accomplish the purposes of the Act, all to the public benefit and good, to the extent and manner provided.
- f. The Project is not used or to be used for: (i) sectarian instruction or as a place of religious worship; (ii) primarily in connection with a program of divinity for any religious denomination; and (iii) does not include any supplies, medicine, medical supplies, or other items, the cost of which are customarily deemed to result in a current operating charge.
- g. Drafts of the forms of the Documents have been made available to this Governing Body and are on file in the office of the Executive Director.

Section 4. Approval of the Project and the Bonds. The Project is an authorized Project under the Act and is hereby approved. Issuance of the Bonds for the purposes of the Undertaking in an aggregate principal amount of not to exceed \$130,000,000 is approved and authorized, subject to the following:

- a. The Series 2026A Bonds shall be sold to the Series 2026A Bonds Purchaser at the prices or prices set forth in and subject to satisfaction of the terms of the respective Bond Purchase Agreement. The Subordinate Bonds shall be sold to the Subordinate Bonds Purchaser at the prices or prices set forth in and subject to satisfaction of the terms of the respective Bond Purchase Agreement.
- b. The Subordinate Bonds shall be subordinate to the Series 2026A Bonds.
- c. The Bonds are to be issued pursuant to the Act and the Bond Indentures. The Borrower is authorized to approve the final interest rate or rates on the Bonds, subject to such adjustment as may be provided for in the Bond Indentures and the Bonds, and upon the terms and conditions specified in this resolution, the Bond Indentures

and the Bonds provided that the principal amount of the Bonds not exceed the amount set forth above. The Borrower is further authorized to approve the issue and delivery dates of the Bonds. The Bonds shall contain a recital that they are issued pursuant to the Act as conclusive evidence of their validity and of the regularity of their issuance. Subject to clause e., below, the Bonds (i) are to be designated as approved by the Executive Director (which designation or designations shall supersede any designation or designations contained in Section 1), be dated, be in substantially the form, be signed, be in the denominations, have maturities and be subject to redemption as provided in the Bond Indentures and (ii) will bear interest at rates approved by the Borrower and be described and have such other details and provisions as specified in the Bond Indentures. The Bonds will bear the designations set forth in the Bond Indentures.

- d. The maturity date of any of the Bonds cannot exceed 50 years from the date of closing and delivery of the Bonds.
- e. The Bonds must be in substantially the form attached to the Bond Indentures, with appropriate variations, omissions and insertions permitted or required by this resolution, and as may be necessary and appropriate and approved by Bond Counsel, Issuer's Counsel and the Borrower. The Bonds are incorporated by reference.
- f. The appointment of UMB Bank, N.A. as bond trustee under the Bond Indentures is approved, ratified and confirmed.
- g. The Authorized Officers, with advice of Bond Counsel, are authorized and directed to execute, acknowledge and deliver the Bonds to the Bond Trustee for authentication as more fully provided in the Bond Indentures. The seal of the Issuer may be omitted as allowed by law. The execution of the Bonds by the Authorized Officers is conclusive evidence of approval of the Bonds in accordance with the terms of this resolution.
- h. On May 20, 2009, the Authority adopted the Policy on Private Placement Financing. The proposed Loan Agreements and the issuance and sale of the Bonds substantially comply with the general guidelines of the Policy, and the Borrower wishes the Issuer to sell the Bonds in a private placement as permitted by the Policy.
- i. Under the Bond Indentures, each initial Beneficial Owner of the Bonds (as defined therein) shall be either (I) a "Qualified Institutional Buyer" (as defined in Rule 144A Under the Securities Act of 1933, as amended); or (II) an "Accredited Investor" (as defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended) that in

either case has provided an investor letter as the Issuer may approve, to the Bond Trustee. The Bonds may not after the initial sale thereof be transferred to any Beneficial Owner that is not a Qualified Institutional Buyer or an Accredited Investor.

Section 5. Registered Form. The Bonds must be issued only in fully registered form, numbered and in such denominations as provided for each series of the Bonds in the Bond Indentures.

Section 6. Bond Trustee; Bond Registrar; Paying Agent. The Issuer appoints the Bond Trustee as trustee, registrar and paying agent for the Bonds.

Section 7. Approval and Execution of Documents and Certificates.

- a. The Issuer Documents and the Bonds are made a part of this resolution and are approved in substantially the forms on file with the Issuer.
- b. The Authorized Officers (individually or with one or more other officers and members of the Issuer) are authorized and directed:
  - i. to execute, acknowledge and deliver the Issuer Documents and the Bonds on behalf of the Issuer with such changes, insertions and omissions therein as Issuer's counsel or Bond Counsel may hereafter approve; provided that the Executive Director may approve the Bond Purchase Agreements upon execution thereof by the Borrower and respective Purchaser;
  - ii. to execute and deliver all other documents which may be required under the terms of the Issuer Documents or the Bonds or by Bond Counsel or Issuer Counsel;
  - iii. to take any other action required or deemed appropriate on the advice of Bond Counsel or Issuer Counsel for the performance of the Issuer's duties necessary to carry out the purposes of the Bonds and the Issuer Documents;
  - iv. furnish certified copies of this resolution, all proceedings and records of the Issuer relating to the Bonds, and any other affidavits and certificates required, in the opinion of Bond Counsel, to show the facts relating to the Issuer respecting the Bonds, as the facts appear from the books and records in the Issuer's custody and control or as otherwise known to them; and
  - v. upon the advice of Bond Counsel, to take such further action, including without limitation holding any additional hearings and coordinating additional approvals, and to execute such additional instruments, as may be required or deemed appropriate at any time

in the future in connection with the Series 2026A-1 Bonds and the Subordinate Bonds and the Project, including further actions in connection with any refinancing or reissuance in whole or in part thereof, and in connection with any federal tax law remedial actions related to sales, leases or other dispositions or uses of all or any part of the Project and related changes to uses and allocations of proceeds of tax-exempt obligations.

- c. The execution by the Authorized Officers of the Issuer Documents and the Bonds is conclusive evidence of their approval in accordance with the terms of this resolution.
- d. The Borrower Documents are accepted in substantially the forms on file with the Issuer.
- e. As required by the Act, the officers of the Issuer authorized to sign checks or otherwise handle funds of the Issuer shall furnish a surety bond, executed by a surety company authorized to transact business in the State of Minnesota as surety and file the same in the office of the Secretary of State of Minnesota, subject to approval of the Attorney General, prior to delivery of the Bonds, which officers and the amount of the surety bond shall be as set forth in the separate resolution adopted by the Issuer on November 28, 1972.

Section 8. Absent or Disabled Officers. If any of the Authorized Officers or any other officer, employee or agent of the Issuer authorized to execute certificates, instruments, or other written documents on behalf of the Issuer:

- a. ceases to be an officer, employee or agent of the Issuer after he or she has executed any certificate, instrument or other written document, the validity or enforceability of the certificate, instrument or other written document signed by them is not affected; or
- b. is unavailable to execute certificates, instruments or other written documents, the certificates, instruments or other written documents may be executed by a deputy or assistant to the unavailable officer, or any other officer of the Issuer who is, in the opinion of Bond Counsel, authorized to sign the certificates, instruments or other written documents, with full force and effect.

Section 9. Future Amendments.

- a. After the adoption of this resolution, but prior to the issuance and delivery of the Bonds, the original aggregate principal amount of the Bonds, the maturity date of the Bonds, the principal amount of the Bonds due on each payment date, the date of the documents referenced in this resolution and the Bonds, and the terms of redemption of the Bonds may be established

or modified by the Borrower with the approval of the Authorized Officers; provided that the aggregate principal amount of the Bonds may not be increased from the amounts set forth in this resolution.

- b. The authority to approve, execute and deliver, on behalf of the Issuer, future amendments to the Loan Agreements are delegated to the Authorized Officers, subject to the conditions established in the applicable Bond Indenture and Loan Agreement; provided that the Governing Body must approve any changes which, in the opinion of Bond Counsel affect the Reserved Rights, as defined in the Bond Indentures. Without limiting the foregoing, the Authorized Officers are delegated the authority to approve, execute and deliver, on behalf of the Issuer, any documents necessary in connection with the reorganization or reconstitution of KingsPath Target Housing of Minnesota, LLC in accordance with Section 5.02 of the Master Trust Indenture.
- c. The authorization given above is an authorization for the execution and delivery of any certificates and related items required to demonstrate compliance with the agreements being amended and the terms of this resolution. The execution of any instrument by one or more of the Authorized Officers is conclusive evidence of the approval in accordance with the terms of this resolution.

#### Section 10. Limitations.

- a. *Limitation on Payment and Nature of Security.* The revenues and proceeds derived from the Issuer Documents are specifically pledged to the payment of the principal of and interest on the Bonds in the manner and to the extent specified in this resolution, the Bonds and the Bond Documents; and nothing in this resolution, the Bonds and the Bond Documents assigns, pledges or otherwise encumbers any other funds or assets of the Issuer, the State or any agency thereof. The Bonds, together with interest thereon, are special limited obligations of the Issuer and do not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the Issuer, the State or any agency thereof. Notwithstanding anything contained in the resolution, the Bonds or the Bond Documents or any other document referred to in the resolution, the Bonds or the Bond Documents to the contrary, under the provisions of the Act, the Bonds may not be payable from nor charged upon any funds other than the revenue pledged to its payment under the Issuer Documents. No holder of the Bonds will ever have the right to compel any exercise of the taxing power of the Issuer, the State or any agency thereof to pay the Bonds or the interest thereon. The Bonds are not a debt of the Issuer, the State or any agency thereof within the meaning of any constitutional or statutory limitation. However, nothing impairs the rights of the holder of the Bonds to enforce covenants made for the security of the Bonds.

- b. *Limitation of Liability.* The Issuer is not subject to any liability on the Bonds. No agreement, covenant or obligation contained in this resolution or in the Bond Documents is an agreement, covenant or obligation of any member of the Governing Body, or of any officer, employee or agent of the Issuer in that person's individual capacity. Neither the members of the Issuer Governing Body, nor any officer executing the Bonds or the Bond Documents, is liable personally on the Bonds or subject to any personal liability or accountability by reason of the issuance of the Bonds or execution of the Bond Documents.
- c. *Limitation on Rights Conferred.* Nothing in this resolution or in the Bond Documents will or is intended to be construed to confer upon any person (other than as provided in the Bonds, the Issuer Documents, and the other agreements, instruments and documents by approved in this resolution) any right, remedy or claim, legal or equitable, under and by reason of this resolution or any provision of this resolution.

Section 11. Offering and Disclosure Materials. The Issuer has not participated in the preparation of or reviewed the Limited Offering Memorandum or any offering or disclosure materials with respect to the offer and sale of the Bonds and the Issuer makes no representations or warranties regarding the necessity, sufficiency, accuracy, fairness, completeness or adequacy of any disclosure with respect to the offer and sale of the Bonds.

Section 12. Severability. If any provision of this resolution shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any provisions of any constitution or statute or rule or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or paragraphs in this resolution contained shall not affect the remaining portions of this resolution or any part thereof.

Section 13. Conditions Precedent. The Bonds shall not be delivered until the issuance of the Bonds is approved by the Governor of the State of Minnesota.

Section 14. Effective Date. This resolution shall take effect immediately and amends and restates in its entirety Resolution No. 11-2025-01 adopted on November 19, 2025.

Adopted: March 18, 2026

MINNESOTA HEALTH AND  
EDUCATION FACILITIES AUTHORITY

By \_\_\_\_\_  
Its Chair

By \_\_\_\_\_  
Its Secretary

Approved: \_\_\_\_\_  
Governor, State of Minnesota

Date Approved: \_\_\_\_\_

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**MINNESOTA**  
HEALTH AND EDUCATION  
FACILITIES AUTHORITY

860 BLUE GENTIAN ROAD SUITE 145, EAGAN, MN 55121

Phone: 651.296.4690 Fax: 651.297.5751

Date: March 11, 2026  
To: Minnesota Health and Education Facilities Authority Board Members  
From: Barry W. Fick, Executive Director *Barry W. Fick*  
Subject: Concordia College Upcoming Finance Request

Concordia College plans to submit a financing Application request to MHEFA to refinance the outstanding principal of their Series 2016 Revenue Bonds. The College desires to complete the refunding by the close of their fiscal year, April 30, 2026. The plan is to consider the Application, Financing Plan and Series Resolution at the April meeting of the Authority.

Since Concordia College has not requested financing through the Authority for a lengthy period, and the Board is not familiar with the College, Authority staff are presenting this preliminary description of the financing to provide the Board with additional time to consider the financing request

The Series 2016 bonds were issued by the City of Moorhead, Minnesota to (i) finance the construction, equipping and renovation of certain of the Corporation's educational facilities, including Ivers Hall and Jones Hall, into a new integrated science complex (the "Series 2016 Project"), located at the Corporation's campus, (ii) (A) refund the outstanding principal amount of the Series 2001, Series 2003, and Series 2004 Bonds issued by Clay County on behalf of the College, and (B) refund the outstanding principal amount of the Series 2005A Bonds issued by the City of Moorhead on behalf of the College. The proceeds of all the prior bonds were used to finance or refinance the acquisition, construction, equipping, and improvements of certain educational facilities all located at the Campus, (iii) fund a debt service reserve fund securing the 2016 Bonds and (iv) finance the costs of issuing the 2016 Bonds.

The Series 2026 refunding Note is being pursued for debt service and interest rate savings. The savings will improve cash flow for the College and enhance the ability of the College to meet future capital financing needs.

The 2026 Note would be purchased in its entirety by JPMorgan Chase Bank, N.A. (the "Purchaser").

## MEMORANDUM

TO: Barry W. Fick  
Executive Director, Minnesota Health and Education Facilities Authority

DATE: March 18, 2026

FROM: David Murphy  
Kutak Rock LLP

RE: Summary of proposed MHEFA Financing for the benefit of the Concordia College Corporation

Below is a summary of the proposed terms of financing for a proposed note issuance (the “2026 Bond”) by the Minnesota Health and Education Facilities Authority (the “Authority”) for the benefit of the Concordia College Corporation (the “Corporation”).

The proposed purpose of the 2026 Bond is to refund the outstanding principal amount of the City of Moorhead, Minnesota Educational Facilities Revenue Bonds (The Concordia College Corporation Project), Series 2016 (the “2016 Bonds”), which were issued in the original aggregate principal amount of \$38,440,000.

The 2016 Bonds were issued by the City of Moorhead, Minnesota to (i) finance the construction, equipping and renovation of certain of the Corporation’s educational facilities, including Ivers Hall and Jones Hall, into a new integrated science complex (the “Series 2016 Project”), all located at the Corporation’s campus, the main address of which is 901 South Eighth Street, Moorhead, Minnesota (the “Campus”), (ii) (A) refund the outstanding principal amount of the \$3,300,000 Clay County, Minnesota Educational Facilities Revenue Bond (The Concordia College Corporation Project), Series 2001, (B) refund the outstanding principal amount of the \$2,300,000 Clay County, Minnesota Educational Facilities Revenue Bond (The Concordia College Corporation Project), Series 2003, (C) refund the outstanding principal amount of the \$7,000,000 Clay County, Minnesota Educational Facilities Revenue Bond (The Concordia College Corporation Project), Series 2004, and (D) refund the outstanding principal amount of the \$19,145,000 City of Moorhead, Minnesota Educational Facilities Revenue Bonds (The Concordia College Corporation Project), Series 2005A, the proceeds of which were used to finance and refinance the acquisition, construction, equipping and improvements of certain educational facilities all located at the Campus, (iii) fund a debt service reserve fund securing the 2016 Bonds and (iv) finance the costs of issuing the 2016 Bonds.

The 2026 Bond would be purchased in its entirety by JPMorgan Chase Bank, N.A. (the “Purchaser”).

The 2026 Bond is anticipated to have a maturity of 15 years, with a mandatory tender in 10 years (final maturity subject to useful life analysis by bond counsel of the assets to be refinanced by the 2026 Note). The mandatory tender date is subject to extension, at the option of the Purchaser, if the Corporation meets certain conditions to be described in the 2026 Bond documents. The 2026 Note would also be subject to optional redemption (on each 5-year anniversary of the 2026 Bond) and mandatory redemption as will be provided in the 2026 Bond documents.

Proposed interest rate of the 2026 Bond (as of March 3, subject to change) is **3.97%**.

The 2026 Bond documents will contain various covenants of the Corporation, including (but not limited to) financial covenants, reporting requirements and banking requirements.

Security for the 2026 Bond will be a pledge of the gross revenues of the Corporation.

Closing is anticipated for late April/early May 2026.



**MINNESOTA**  
HEALTH AND EDUCATION  
FACILITIES AUTHORITY

860 BLUE GENTIAN ROAD SUITE 145, EAGAN, MN 55121

Phone: 651.296.4690 Fax: 651.297.5751

Date: March 11, 2026  
To: Minnesota Health and Education Facilities Authority Board Members  
From: Barry W. Fick, Executive Director *Barry W. Fick*  
Subject: Benedictine Health Upcoming Finance Request

Benedictine Health System plans to submit a financing Application request to MHEFA to finance three capital projects at existing Benedictine facilities in Minnesota. The firm of Fryberger Law has prepared the attached memorandum describing both the Benedictine Health System and the projects to be financed.

The Benedictine Health System desires to complete and close the financing by early May 2026. The plan is to consider the Application, Financing Plan and Series Resolution at the April meeting of the Authority.

Since Benedictine Health has not previously been able to request financing through the Authority, and the Board is not familiar with Benedictine Health, Authority staff are presenting this preliminary description of the financing to provide the Board with additional time to consider the financing request

The series 2026 financing is being requested through the Authority for administrative efficiency, the Authority expertise and market reputation, and the Authority's understanding of not-for-profit financing options.

The 2026 financing may be issued as a bond or a private placement.

To: Barry Fick

From: Mia E. Thibodeau, Bond Counsel

Subject: Benedictine Financing (Healthcare)

Date: March 11, 2026

This memorandum is to brief the members of the Issuer about an upcoming application for the financing and refinancing of healthcare facilities owned and operated by affiliates of Benedictine Health System d/b/a Benedictine (“Benedictine”).

Benedictine and its subsidiaries collectively form a Catholic healthcare and senior housing system that provides long-term care services, congregate housing, assisted living, rehabilitation services, and other healthcare and social services. As of the date hereof, Benedictine owns or has a controlling interest in 26 nursing facilities with 2,108 licensed nursing beds and 34 senior housing facilities with 2,674 units in five states.

Benedictine, as obligated group agent (the “Obligated Group Agent”), created an obligated group comprised of affiliates of Benedictine owning and operating long term care facilities and continuing care retirement communities under the Master Trust Indenture dated as of July 1, 2021, as amended and supplemented (the “Master Indenture”), between Benedictine and U.S. Bank National Association as Master Trustee (the “Master Trustee”).

The current obligees under the Master Indenture are Benedictine Care Centers, Benedictine Health Center, Benedictine Living Communities, Inc., Benedictine Living Community of Wahpeton, Benedictine Living Community of Wahpeton, LLC, Bridges Care Center, City of Lakes Care Center, Ellendale Evergreen Place, Inc., Koda Living Community, Madonna Meadows of Rochester, Madonna Summit of Byron, LLC, Madonna Towers of Rochester, Inc., Regina Senior Living, Saint Anne of Winona, St. Gertrude’s Health Center, Steeple Pointe Senior Living Community, and Villa St. Vincent. As part of the upcoming financing, Benedictine proposes to add two new members to the Obligated Group: Mother of Mercy with facilities in Albany, Minnesota and Benedictine Living Community-Anoka LLC with facilities in Anoka, Minnesota.

The proposed plan of finance will consist of financing capital projects totaling approximately \$17,544,000 as follows:

1. Mother of Mercy – improvements necessary to consolidate all memory care into the existing 24-unit building and renovate the current 14-unit studio wing into eight larger one-bedroom apartments, some with patios ranging from 650–850 sq. ft. This addresses marketability challenges caused by the campus’s surplus of small studio units. Phase two

will convert the smallest one-bedroom units (367 sq. ft.) into larger 515–850 sq. ft. apartments, upgrade finishes and amenity spaces, and consolidate two kitchens into one to improve labor efficiency and resident appeal.

2. Madonna Towers of Rochester – major building improvements to enhance long-term durability and marketability. Key elements include repairing the building envelope—such as brick, concrete, and balcony structures—replacing all windows, and upgrading the aging two-pipe HVAC system to a modern variable refrigerant flow system for individual climate control. Additional work includes replacing deteriorated domestic water piping to resolve recurring leaks and renovating the main entrance and common areas to improve resident amenities and first impressions.
3. Madonna Meadows of Rochester – improvements necessary to expand the current 11-unit studio layout to 24 studios, add dedicated dining and living spaces, and update finishes to modern standards within a secure environment. The project also includes new offices, conference rooms, and storage areas to better support staff operations.

In addition, the plan of finance includes the refinance of approximately \$12,036,000 of outstanding indebtedness of Mother of Mercy and Benedictine Living Community-Anoka, the proceeds of which were used to improve the capital facilities thereof.

Benedictine has engaged the services of Herbert J. Sims & Co., Inc., as independent financial advisor to assist in structuring an issue or issues of tax-exempt bonds or notes for the financing and refinancing in a private placement with an approximate total principal amount of \$29,580,000.

Benedictine, as Obligated Group Agent, anticipates submission to the Issuer of an Application for Financing of healthcare facilities in approximately 1-2 weeks, and desires to close on its financing in early May of 2026.

Resolution No. 03-2026-02

MINNESOTA HEALTH AND EDUCATION FACILITIES AUTHORITY

RESOLUTION AUTHORIZING GENERAL SALARY INCREASE UNDER MANAGERIAL  
PLAN 2025-2027

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, 2025 and will end on June 30, 2026.

WHEREAS, on February 20, 2026, the Minnesota Health and Education Facilities Authority received a memo from MMB stating that General Salary Increases of 1.5% effective July 1, 2025 should now be entered into the system

WHEREAS, the Managerial Plan grants a general salary increase of 1.5% for each manager for the fiscal year that began July 1, 2025 and a general salary increase of 1.75% for the fiscal year that will begin July 1, 2026.

WHEREAS, on May 21, 2025, the Authority reviewed the overall performance of Barry W. Fick and Amanda G. Lee (each a “manager”) based up on their progress on the Authority’s Plan of Action for the relevant fiscal year and determined that each manager has consistently excelled in the performance of his/her respective job duties and the overall evaluation of the performance review of each manager is “outstanding.”

BE IT RESOLVED as follows:

1. Barry W. Fick is eligible for a 1.5% general salary increase granted under the Managerial Plan for the fiscal year that began July 1, 2025
2. Amanda G. Lee is eligible for a 1.5% general salary increase granted under the Managerial Plan for the fiscal year that began July 1, 2025
3. The Board of the Minnesota Health and Education Facilities Authorities approves and authorizes the application of a 1.5% general salary increase, including retroactive pay

beginning July 1, 2025, as granted under the Managerial Plan for Barry W. Fick for the fiscal year that began July 1, 2025.

4. The Board of the Minnesota Health and Education Facilities Authorities approves and authorizes the application of a 1.5% general salary increase, including retroactive pay beginning July 1, 2025, as granted under the Managerial Plan for Amanda G. Lee for the fiscal year that began July 1, 2025.

Adopted: March 18, 2026

MINNESOTA HEALTH AND EDUCATION  
FACILITIES AUTHORITY

By \_\_\_\_\_

Bonnie Anderson Rons, Chair

By \_\_\_\_\_

Kenneth Westphal, Secretary

## Memo

**Date:** February 20, 2026  
**To:** HR Directors and Designees, SEMA4 HR Users, Payroll Users, and Agency Accounting Coordinators  
**From:** Dori Leland, Director, Workforce Development  
**RE:** **Salary Adjustments for the 2025 - 2027 Biennium Year 1: Nonrepresented Employees Plan, SRSEA, Medical Specialists' Addendum, and Managerial Plan**

Minnesota Management and Budget (MMB) will implement the Year 1 salary provisions of the above-mentioned contracts and plans over the weekend of February 27, 2026.

This memo provides instructions and critical timelines for agency Human Resources offices.

### **Year 1 General Salary Adjustment, effective July 1, 2025**

Over the weekend of February 27, MMB will apply a 1.5% general wage adjustment to the job records of active HR status employees covered by the following plan and contract, and for "insufficient work time employees" in related job classes:

- Nonrepresented Employees Plan (formerly known as the Commissioner's Plan)
- SRSEA (State Residential Schools Education Association)

MMB will insert a SEMA4 Job row with an effective date of **7/1/2025** and **Pay Rate Change / GEN** as the action/reason. MMB will update rows with effective dates greater than 7/1/2025 and include a Job Data comment to indicate the rate of pay has been updated by the mass salary update. The new rates of pay will display in SEMA4 on Monday, March 2.

#### **Pay rates over the maximum**

Employees with Off-Step Rate Codes of **OFFOMD** (due to a demotion with salary above the maximum) or **OFFOMT** (due to a transfer with salary above the maximum):

- Employees whose rate of pay exceeded the maximum for their job class on 6/30/2025, but falls within the range on 7/1/2025, will be placed at the new range maximum step rate for the job class and the rate code will be changed to OFFRNG or ONSTEP.
- Employees whose rate of pay exceeded the maximum for their job class on 6/30/2025, and continues to exceed the maximum on 7/1/2025, will not receive an update.

Employees with a rate code of **OFFOMR** (due to a reallocation demotion with salary above the maximum) will receive the full 1.5% increase.

## Managerial Plan and Medical Specialists' Addendum

Employees covered by these plans are eligible for the 1.5% general salary increase effective July 1, 2025, if they have achieved performance standards or objectives. **General salary increases covered by the Managerial Plan and Medical Specialists' Addendum are not included in the mass salary update. Agencies are responsible for evaluating eligibility and updating the rates of pay accordingly.**

For Managerial Plan and Medical Specialists' Addendum employees receiving this increase, insert a Job row with an effective date of 7/1/2025 and **Pay Rate Change / PRF** as the action / reason. Include a comment to note that this is the general adjustment. Update any subsequent rows accordingly and include a comment to note that this increase is due to the general adjustment.

### Pay Rates Over the Maximum for Managers or Medical Specialists

Employees with a rate code of **OFFOMD** (due to demotion with salary above the maximum) or **OFFOMT** (due to a transfer with salary above the maximum):

- The employee is eligible for an increase to the new range maximum for the job class if their rate of pay exceeded the maximum on 6/30/2025 but now falls within the range for the class on 7/1/2025. Change the compensation rate code on the new row to OFFRNG.
- The employee is NOT eligible for an increase if their rate of pay exceeded the maximum on 6/30/2025 and continues to exceed the maximum on 7/1/2025.

If the rate of pay exceeded the maximum on 6/30/2025 with a compensation rate code of **OFFOMR** (due to a reallocation demotion with salary above the maximum), the employee is eligible for the full 1.5% increase.

### Agency heads

Managers whose salaries are set in statute, such as agency heads, are not eligible for these general salary increases.

## Mass update reports available March 2, 2026

On March 2, 2026, report HP7041, *Mass Update Before and After Values for Salary*, will be available in the SEMA4 Standard Report Viewer. This report displays employees' old and new rates of pay. Please review this report for accuracy. Note: After you open report HP7041, you will see *Report ID PDHR7063* in the upper left corner.

### Work-out-of-class and trainee pay rates

The mass update will increase employee permanent rates of pay only. Agencies must calculate and enter the rates of pay for work-out-of-class differentials and trainee assignments.

MMB will send agencies separate instructions and a list of these employees on March 2, 2026.

## New appointments after July 1, 2025

Employees who are appointed to positions covered by the Nonrepresented Employees Plan or SRSEA after July 1, 2025, will also receive the 1.5% general adjustment. However, this mass update will **not** add a 7/1/2025 general adjustment row (Pay Rate Change / GEN) because the employee was not yet appointed to the position on that date. The general adjustment mass update will be applied to rows with effective dates equal to and greater than the date of the appointment.

## Separated employees

- Employees who are separated (with an Inactive HR status) on February 27, 2026, will not be included in the general adjustment mass update.
- Employees who have a future-dated separation effective after February 27, 2026, will receive the general adjustment. However, the rate of pay on the separation row will not be updated. Agencies must manually update the separation row with the new rate of pay. MMB will send agencies a list of these employees on March 2, 2026.

Employees who separated from state service between 7/1/2025 and 2/27/2026 (the date the salary mass update will be run for Active HR Status employees) must make a written request to their HR office to receive the general adjustment. Agencies are responsible for updating the job records with the 7/1/2025 general adjustment row and any subsequent rows. Agencies are also responsible for calculating retroactive pay and recalculating any vacation payoffs and severance payments previously made to the employee. These separated employees must make a written request to their HR office by **3/20/2028** to receive the general adjustment and should be advised to contact MSRS regarding the updated compensation rate.

## SEMA4 Salary Adjustment Timeline

Date	Event
Weekend of 2/27/2026	Mass salary update (1.5% general adjustment, effective 7/1/2025) for employees covered by the Nonrepresented Employees Plan and SRSEA, and for “insufficient work time employees” in related job classes.
3/2/2026 – 3/6/2026	Agencies review report HP7041, <i>Mass Update Before and After Values for Salary</i> in Standard Report Viewer.
03/02/2026 – 03/06/2026	Agencies enter performance-based General Adjustment increases for eligible employees covered by the Managerial Plan or Medical Specialists’ Addendum.
3/2/2026 – 3/6/2026	Agencies enter rate increases (differentials) for work-out-of-class assignments.  Agencies enter rate increases for trainee assignments.  MMB will provide further instructions and employee lists regarding work-out-of-class and Trainee assignments.
3/2/2026 – 3/6/2026	Agencies enter compensation rate corrections for any future-dated separations. MMB will provide an employee list and further instructions to the agencies

Date	Event
3/20/2026	Paycheck reflects the 1.5% general adjustment salary increase along with retroactive pay for employees covered by Nonrepresented Employees Plan, SRSEA, Managerial Plan and Medical Specialists' Addendum.

## Questions?

For SEMA4 HR questions, please contact your MMB SEMA4 HR Specialist:

- Tia Chester – [Tia.Chester@state.mn.us](mailto:Tia.Chester@state.mn.us)

For questions regarding payroll processing, contact [Statewide Payroll Services](#).

# MN Health and Education Facilities Authority

## Budget vs. Actuals: FY2026 Budget (July 2025)

July 2025 - June 2026

	TOTAL			
	ACTUAL	BUDGET	REMAINING	% REMAINING
<b>Income</b>				
4010 Annual Fee Income	280,699.48	550,000.00	269,300.52	48.96 %
4020 Application Fee Income	3,000.00	2,000.00	-1,000.00	-50.00 %
4030 Miscellaneous Income	58,000.00		-58,000.00	
<b>Total Income</b>	<b>\$341,699.48</b>	<b>\$552,000.00</b>	<b>\$210,300.52</b>	<b>38.10 %</b>
<b>GROSS PROFIT</b>	<b>\$341,699.48</b>	<b>\$552,000.00</b>	<b>\$210,300.52</b>	<b>38.10 %</b>
<b>Expenses</b>				
6000 Stipends	3,410.00	4,400.00	990.00	22.50 %
6001 Board Travel	4,994.81	5,000.00	5.19	0.10 %
<b>6002 Communications</b>				
6002.01 Communications - Phones	1,767.43	5,000.00	3,232.57	64.65 %
6002.02 Communications - Internet	1,479.22	3,000.00	1,520.78	50.69 %
6002.03 Communications - Software	112.00	1,500.00	1,388.00	92.53 %
6002.04 Communications - Website	34,620.11	30,000.00	-4,620.11	-15.40 %
6002.05 Communications - Misc	297.95	15,000.00	14,702.05	98.01 %
<b>Total 6002 Communications</b>	<b>38,276.71</b>	<b>54,500.00</b>	<b>16,223.29</b>	<b>29.77 %</b>
6003 Staff Travel	<b>8,290.83</b>	<b>25,000.00</b>	<b>16,709.17</b>	<b>66.84 %</b>
6004 Office Rent	33,664.40	54,000.00	20,335.60	37.66 %
6005 Office Supplies	1,984.02	2,000.00	15.98	0.80 %
6006 Repairs	138.00	2,000.00	1,862.00	93.10 %
6007 Printing Expense	13,228.96	25,000.00	11,771.04	47.08 %
6008 Periodicals/Memberships	7,908.00	13,000.00	5,092.00	39.17 %
6009 Fiscal Consultant Fees	1,795.00	25,000.00	23,205.00	92.82 %
6010 Audit Fees	21,900.00	21,900.00	0.00	0.00 %
6012 Legal & Legislative Fees	16,600.00	20,000.00	3,400.00	17.00 %
6013 Insurance Expense		2,500.00	2,500.00	100.00 %
6015 Miscellaneous Expense	582.32	5,000.00	4,417.68	88.35 %
6016 Bank Service Charges	1,408.99	2,000.00	591.01	29.55 %
6017 Conference Expenses	1,652.21	40,000.00	38,347.79	95.87 %
6017.10 NAHEFFA Fall 2025 Conference	5,460.15		-5,460.15	
<b>Total 6017 Conference Expenses</b>	<b>7,112.36</b>	<b>40,000.00</b>	<b>32,887.64</b>	<b>82.22 %</b>
6018 Professional Development-Board		2,500.00	2,500.00	100.00 %
6020 Professional Development-STAFF	2,833.00	3,500.00	667.00	19.06 %
<b>6021 IT</b>				
6021.01 IT - Managed IT Services	5,611.50	9,000.00	3,388.50	37.65 %
6021.02 IT - Software	30,706.85	45,000.00	14,293.15	31.76 %
6021.03 IT - Consulting and Training		5,000.00	5,000.00	100.00 %
6021.04 IT - Misc		1,000.00	1,000.00	100.00 %
<b>Total 6021 IT</b>	<b>36,318.35</b>	<b>60,000.00</b>	<b>23,681.65</b>	<b>39.47 %</b>
6023 Postage/Delivery Expense	228.08	200.00	-28.08	-14.04 %
6100 Salaries	157,362.18	275,000.00	117,637.82	42.78 %
6101 Fringe Benefits	57,934.60	93,000.00	35,065.40	37.70 %

# MN Health and Education Facilities Authority

## Budget vs. Actuals: FY2026 Budget (July 2025)

July 2025 - June 2026

	TOTAL			
	ACTUAL	BUDGET	REMAINING	% REMAINING
6104 Worker's Compensation	170.00	170.00	0.00	0.00 %
<b>Total Expenses</b>	<b>\$416,140.61</b>	<b>\$735,670.00</b>	<b>\$319,529.39</b>	<b>43.43 %</b>
NET OPERATING INCOME	<b>\$ -74,441.13</b>	<b>\$ -183,670.00</b>	<b>\$ -109,228.87</b>	<b>59.47 %</b>
Other Income				
4000 Interest Income	65,175.25	80,000.00	14,824.75	18.53 %
4050 Unrealized Gain/Loss Adjustment on Sale	-269.63		269.63	
<b>Total Other Income</b>	<b>\$64,905.62</b>	<b>\$80,000.00</b>	<b>\$15,094.38</b>	<b>18.87 %</b>
NET OTHER INCOME	<b>\$64,905.62</b>	<b>\$80,000.00</b>	<b>\$15,094.38</b>	<b>18.87 %</b>
NET INCOME	<b>\$ -9,535.51</b>	<b>\$ -103,670.00</b>	<b>\$ -94,134.49</b>	<b>90.80 %</b>

# Profit and Loss by Class

## MN Health and Education Facilities Authority

July, 2025-June, 2026

DISTRIBUTION ACCOUNT	ADMINISTRATION	EDUCATION	HEALTH CARE	TOTAL
<b>Income</b>				
4010 Annual Fee Income		280,699.48		280,699.48
4020 Application Fee Income		2,000.00	1,000.00	3,000.00
4030 Miscellaneous Income	2,200.00	55,800.00		58,000.00
<b>Total for Income</b>	<b>2,200.00</b>	<b>338,499.48</b>	<b>1,000.00</b>	<b>\$341,699.48</b>
<b>Cost of Goods Sold</b>				
<b>Gross Profit</b>	<b>2,200.00</b>	<b>338,499.48</b>	<b>1,000.00</b>	<b>\$341,699.48</b>
<b>Expenses</b>				
6000 Stipends	1,210.00	385.00	1,815.00	3,410.00
6001 Board Travel	4,140.74	389.02	465.05	4,994.81
6002 Communications				
6002.01 Communications - Phones	1,678.42	89.01		1,767.43
6002.02 Communications - Internet	1,479.22	0.00		1,479.22
6002.03 Communications - Software	112.00			112.00
6002.04 Communications - Website	2,410.11	3,810.00	28,400.00	34,620.11
6002.05 Communications - Misc	297.95			297.95
<b>Total for 6002 Communications</b>	<b>5,977.70</b>	<b>3,899.01</b>	<b>28,400.00</b>	<b>\$38,276.71</b>
6003 Staff Travel	<b>6,925.24</b>	<b>1,182.18</b>	<b>183.41</b>	<b>\$8,290.83</b>
6004 Office Rent	29,481.71	4,182.69		33,664.40
6005 Office Supplies	1,883.96	100.06		1,984.02
6006 Repairs			138.00	138.00
6007 Printing Expense		13,228.96		13,228.96
6008 Periodicals/Memberships	5,144.00	14.00	2,750.00	7,908.00
6009 Fiscal Consultant Fees		1,795.00		1,795.00
6010 Audit Fees		21,900.00		21,900.00
6012 Legal & Legislative Fees		6,300.00	10,300.00	16,600.00
6015 Miscellaneous Expense	462.32	120.00		582.32
6016 Bank Service Charges	1,290.57	118.42		1,408.99
6017 Conference Expenses	1,095.00	557.21		\$1,652.21
6017.10 NAHEFFA Fall 2025 Conference	5,460.15			5,460.15
<b>Total for 6017 Conference Expenses</b>	<b>6,555.15</b>	<b>557.21</b>		<b>\$7,112.36</b>
6020 Professional Development-STAFF	2,833.00			2,833.00
6021 IT				
6021.01 IT - Managed IT Services	4,962.91	648.59		5,611.50
6021.02 IT - Software	19,108.77	11,598.08		30,706.85
<b>Total for 6021 IT</b>	<b>24,071.68</b>	<b>12,246.67</b>		<b>\$36,318.35</b>
6023 Postage/Delivery Expense	53.51	174.57		228.08
6100 Salaries	157,362.18			157,362.18
6101 Fringe Benefits	57,934.60			57,934.60
6104 Worker's Compensation	170.00			170.00
<b>Total for Expenses</b>	<b>305,496.36</b>	<b>66,592.79</b>	<b>44,051.46</b>	<b>\$416,140.61</b>
<b>Net Operating Income</b>	<b>-303,296.36</b>	<b>271,906.69</b>	<b>-43,051.46</b>	<b>-\$74,441.13</b>
<b>Other Income</b>				
4000 Interest Income		65,175.25		65,175.25

# Profit and Loss by Class

## MN Health and Education Facilities Authority

July, 2025-June, 2026

DISTRIBUTION ACCOUNT	ADMINISTRATION	EDUCATION	HEALTH CARE	TOTAL
4050 Unrealized Gain/Loss Adjustment on Sale		-269.63		-269.63
<b>Total for Other Income</b>		<b>64,905.62</b>		<b>\$64,905.62</b>
Other Expenses				
<b>Net Other Income</b>		<b>64,905.62</b>		<b>\$64,905.62</b>
<b>Net Income</b>	<b>-303,296.36</b>	<b>336,812.31</b>	<b>-43,051.46</b>	<b>-\$9,535.51</b>