MINNESOTA
HEALTH AND EDUCATION
FACILITIES AUTHORITY

The Minnesota Health and Education Facilities Authority (the "Authority" or "MHEFA") convened a Board meeting at 2:00 pm Central Daylight Time, Wednesday, June 17, 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 Room 201 at the Minneapolis College of Art and Design (MCAD) at 2501 Stevens Ave S, Minneapolis, MN 55404. 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 June 17, 2026 Board Actions Taken:

Motions:	Result:	Vote:
Approve the Meeting Minutes of May 20, 2026	Passed	Unanimous
Approving the FY27 Budget	Passed	Unanimous
Approving the FY27 Fee Discount	Passed	Unanimous

Resolutions	Result:	Vote:
Resolution Authorizing General Salary Increase for FY27	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: Gary Benson – IP
Ken Westphal – IP
Erich Heppner - V
Martha Earley - IP
David Rowland – V
Tim Rice - IP
Michelle Scott, OHE – V
Paul Cerkvenik, MPCC - V

Absent: Mary Ives
Bonnie Anderson Rons

Other Attendees: Mark LeMay, Consultant – IP

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

Board Secretary and Acting Board Chair for the June 2026 Meeting, Ken Westphal, called the meeting order at 2:05 pm CDT. Executive Director Fick took role and confirmed that a quorum was present. Except for Other Attendees noted above, there were no members of the public at the meeting location or on the video or telephone link.

Agenda Item I – Introduction of New Board Member

Acting Chair Ken Westphal called on Executive Director Fick to introduce Tim Rice, the newest Authority Board member. Executive Director Fick introduced Tim Rice and invited him to provide information about himself and his interest in joining the Authority Board. Mr. Rice reviewed his previous experience with Board members noting his extensive experience in the healthcare industry, including executive positions at hospitals and healthcare institutions in Minnesota.

Acting Chair Westphal asked the Board members to introduce themselves to Mr. Rice and outline their background and role on the MHEFA Board.

Agenda Item II – Summary of Executive Director Performance Review

Acting Chair Westphal began by noting that a performance review of Executive Director Barry Fick was conducted during a closed session of the MHEFA Board on May 20, 2026. At that closed session, the Board discussed his performance for the past year, decided on a performance rating, and complimented him for his work at the Authority.

Agenda Item III –Minutes from May 20, 2026, Board Meeting

The first action item on the agenda was the review and consideration of the minutes of the May 20, 2026 Authority Board meeting.

Acting Chair Westphal asked for a motion and second to the Minutes of the May 20, 2026 Board Meeting. Gary Benson moved to accept the May 20, 2026 MHEFA Board meeting minutes. Martha Earley seconded the Motion. Acting Chair Westphal asked if there were any changes or edits to the minutes of the May 20, 2026 MHEFA Board meeting. There were no suggested edits or changes to the May 20, 2026 minutes.

Acting Chair Westphal called for a vote regarding the approval of the May 20, 2026, minutes. A roll call vote was conducted, and the Board members voted as follows:

Board Members:	Gary Benson	Yes
	Ken Westphal	Yes
	Erich Heppner	Yes
	Martha Earley	Yes
	David Rowland	Yes
	Tim Rice	Yes
	Michelle Scott	Yes

There were no votes against the motion and the Minutes of the May 20, 2026, MHEFA Board meeting were approved.

Agenda Item IV – Fiscal Year 2027 Administrative Items

FY2027 Proposed Budget

Acting Chair Westphal called on Operations Manager Amanda Lee and Executive Director Fick to present and discuss the FY2027 Budget. Operations Manager Amanda Lee reviewed the proposed budget, noting the budget anticipates completion of 1 or 2 healthcare financing projects. Only a small increase in revenue has been budgeted because no applications have yet been received. Since healthcare is a new area for the Authority, these financings are less predictable than higher education where we are in contact with our limited pool of borrowers throughout the year. Executive Director Fick provided additional comparison of various budget line items.

Expenses are higher to account for inflation and one-time expenses related to projects to adjust to the inclusion of healthcare financing, specifically including website and LinkedIn updates. The other increase is the addition of an Independent Registered Municipal Advisors, one for Higher Education and another for Healthcare. The proposed FY27 Budget anticipates a deficit, which if realized, will be funded from accumulated funds. Budgeted expenses are estimated conservatively to ensure efficient operations at the Authority.

Board members asked how the staff plan to account for healthcare financing. Staff noted that the goal is to have healthcare and higher education be self-sufficient, however, with only one healthcare financing completed thus far, it is likely that healthcare will have a deficit that will be repaid to higher education as healthcare ramps up over the next few years. Accounting records are separately recorded for higher education and healthcare. Staff will work with the auditing firm to ensure accurate and transparent accounting will be used to record financial activity.

Consideration of a motion to approve the FY2027 Budget was deferred until the FY2027 Fee Analysis was reviewed.

Fiscal Year 2027 Authority Fee Discount

Acting Chair Westphal called on the Operations Manager Amanda Lee and Executive Director Fick to present the FY2027 Annual Fee Analysis. Operations Manager Lee outlined the fee discount analysis that is conducted annually. For FY27, the analysis shows that the Authority may offer a fee discount of 60.83% from the maximum allowed fee of 0.125% (1/8th) would result in a neutral operating result. Included in this discount are the additional projected fees to implement the healthcare program.

The staff recommends a 65% discount on the allowable fee be adopted for FY2027. This discount reflects staff's conservative expectation that FY27 will have minimal healthcare financing activity.

Retaining the 65% discount would be the eleventh year in a row that the Authority provides a fee discount of 65% for borrowers. Discussions with individual borrowers show that borrowers appreciate the consistency of the fee level, which allows them better predictability in their budgeting process.

Acting Chair Westphal asked if there were any questions regarding the FY2027 Fee Analysis. There was a discussion about borrower expectations regarding fee levels for Higher Education and Healthcare financings. Board members asked if there should be a different fee discount for each type of financing. Staff noted that the fee analysis is reviewed regularly and that a uniform fee discount is recommended pending the completion of additional Healthcare financing projects.

Acting Chair Westphal asked for a motion and second to approve and adopt the FY2027 Budget. A motion to approve and adopt the FY2027 Proposed Budget was made by David Rowland. The motion was seconded by Gary Benson.

Acting Chair Westphal called on Executive Director Fick to conduct a roll call vote on the Motion. A roll call vote was conducted, and the Board members voted as follows:

Erich Heppner	Yes
Gary Benson	Yes
Ken Westphal	Yes
Tim Rice	Yes
Martha Earley	Yes
Michelle Scott	Yes
David Rowland	Yes

There were no abstentions or votes against the Motion and the Motion to approve and adopt the FY2027 Budget was approved.

Acting Chair Westphal asked for a motion and second to approve adopting the requested 65% Annual Fee Discount to Authority borrowers for FY27. A motion to adopt and approve the proposed 65% Annual Fee Discount for FY27 was made by Gary Benson. The motion was seconded by Martha Earley.

Acting Chair Westphal called on Executive Director Fick to conduct a roll call vote on the FY2027 Annual Fee Discount. A roll call vote was conducted, and the Board members voted as follows:

Erich Heppner	Yes
Gary Benson	Yes
Ken Westphal	Yes
Tim Rice	Yes
Martha Earley	Yes
Michelle Scott	Yes
David Rowland	Yes

There were no abstentions or votes against the Motion and the FY2027 Annual Fee Discount of 65% was approved.

FY2025 MHEFA Staff General Salary Adjustment

Acting Chair Westphal called on Executive Director Fick to present the proposal to adopt the Managerial Plan General Salary Increase for FY2027. Executive Director Fick noted that the FY25-27 Managerial Plan of the Minnesota Management and Budget (MMB) sets forth general salary adjustments for managerial staff in FY26 and FY27. The salary adjustments must be adopted by each State Agency to become effective. MHEFA Staff proposes the Board adopt Resolution No. 06-2026-01, General Salary Increase under Managerial Plan FY2025-2027.

MHEFA previously adopted the general salary increase for FY2026. Staff requests the Board adopt the MMB general salary increase for FY2027.

Acting Chair Westphal asked for a motion to approve and adopt Resolution No. 06-2026-01. A motion to adopt and approve the Resolution was made by David Rowland. The motion was seconded by Eric Heppner.

Acting Chair Westphal asked if there were any questions about the MMB general salary increase. There were no questions from the Board. Acting Chair Westphal called on Executive Director Fick to conduct a roll call vote on the Resolution. A roll call vote was conducted, and Board members voted as follows:

Erich Heppner	Yes
Gary Benson	Yes
Ken Westphal	Yes
Tim Rice	Yes
Martha Earley	Yes
Michelle Scott	Yes
David Rowland	Yes

There were no abstentions or votes against the Resolution and Resolution No. 06-2026-01 was approved and adopted.

Agenda Item IV – Hamline 2021 Note Extension

Hamline University's Series 2021 includes a mandatory tender in July 2026. The University has negotiated with US Bank to extend the Mandatory Date for 2 years, through July 2028. The Hamline Board has approved the terms of the extension. Documents to memorialize the terms are being prepared and the transaction is anticipated to close in early July 2026.

Agenda Item V – Bond Counsel Appointments

The Office of the Minnesota Attorney General issued a Request for Qualifications from Bond Counsel firms to update the list of firms qualified to provide Bond Counsel services to State Agencies. The AG's office provided MHEFA with a list of qualified firms and requested we select 3 firms to serve a Bond Counsel for the Authority. We selected the Fryberger Law Firm and Taft Law (both currently used for Authority financing) and selected the Wisconsin form Quarles and Brady as the 3rd firm. Quarles has experience with healthcare financing. They serve as bond counsel for the Wisconsin Health and Education Facilities Authority, and are familiar with financings like we undertake.

Agenda Item VI – Old Business

Acting Chair Westphal asked if there were any Old Business items from Board members for discussion.

Executive Director Fick provided an update on the Bethel financing which the Board approved at their May 2026 meeting. Fick noted that the financing is nearing completion. Closing is expected to occur around the middle of July. The construction fund, capitalized interest, and debt service reserve funds will be invested using an investment agreement bid process. The financing will be net funded, meaning that investment earnings will be used to reduce the size of the bond financing.

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

Agenda VII – New Business

Vice Chair Westphal 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

Acting Chair Westphal 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 completing a number of annual administrative reports for Minnesota Management and Budget

Executive Director activity / news since the May Board meeting includes:

- Completion of a Moody's Credit update for Hamline University
- Moody's has identified additional schools for a credit review in calendar 2026. We have begun work with all the identified schools to prepare for the Moody's reviews
- The Minnesota Attorney General's office issued a Request for Qualifications process to select or affirm bond counsel rosters for State Agencies. We have selected 2 current bond counsel firms, Fryberger and Taft to continue as MHEFA Bond Counsel, and added Quarles and Brady as a third bond counsel option.
- We continue Higher Education and Healthcare Application review to updating & modernize the Application forms.

Acting Chair Westphal asked if there was any Other Business to come before the Board. There was no Other Business for the Board to consider, and Acting Chair Westphal asked for a motion to adjourn the regular Board meeting.

A motion to adjourn the regular board meeting was made by with a second provided by . The Board acted by voice vote to suspend the meeting at 3:10 pm, CDT.

Respectfully submitted,

Barry W Fick
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Assistant Secretary

12- Minutes for 17 Jun 2026 - FINAL

Final Audit Report 2026-08-12

Created:	2026-08-12
By:	Amanda Lee (agl@mnhefa.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAABCHHStISr45KAeM5szWuZx7u761xb0P1

"12- Minutes for 17 Jun 2026 - FINAL" History

Document created by Amanda Lee (agl@mnhefa.org)

2026-08-12 - 8:58:58 PM GMT

Document emailed to Barry Fick (bwf@mnhefa.org) for signature

2026-08-12 - 8:59:02 PM GMT

Email viewed by Barry Fick (bwf@mnhefa.org)

2026-08-12 - 9:43:07 PM GMT

Document e-signed by Barry Fick (bwf@mnhefa.org)

Signature Date: 2026-08-12 - 9:43:22 PM GMT - Time Source: server - Signature Appearance Selected: IMAGE

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2026-08-12 - 9:43:22 PM GMT