

## **OHIO HIGHER EDUCATIONAL FACILITY COMMISSION**

### **MINUTES OF THE MEETING OF THE COMMISSION**

**June 17, 2015**

The Ohio Higher Educational Facility Commission (the "Commission") met on Wednesday, June 17, 2015, at 11:00 a.m. on the 19<sup>th</sup> Floor, Room 1932, of the Riffe Center, Columbus, Ohio, written notice of which had been given to all members of the Commission.

The following members attended: Thomas Needles, Chair; Kenneth Kutina, Secretary; Wanda Carter; James Shindler; Susan Tate; John Wells; and James Wilson. Absent from the meeting were: David Cannon, Vice Chair; and John Martin. Also present were representatives of the institutions appearing before the Commission; Ben Christensen of the Ohio Board of Regents; Yoon Lee of Wells Fargo; and Alexander G. Burlingame of Squire Patton Boggs (US) LLP, Bond Counsel to the Commission.

The meeting was called to order by the Chair. Upon call of the roll, the Secretary declared that a quorum was present. He also stated that the notice of this meeting had been given to all media, organizations or other persons who requested that information in accordance, and in full compliance, with Section 121.22 of the Revised Code.

The Chair noted that the minutes of the Commission meeting of May 20, 2015 were sent to each member prior to this meeting; those minutes are also included in the meeting books for each member. Upon a motion by Mr. Wilson that was seconded by Dr. Kutina, all Commission members present approved the minutes of that meeting.

## UNIVERSITY HOSPITALS

The Chair next called on Bradley Bond, Vice President, Treasury, to update the Commission members as to University Hospital's financing request. Mr. Bond thanked the Commission members noting that the Health System had been active in meeting with its bankers and financial advisors so as to refine its plan of finance, with the expectation of closing the proposed financings as early as late July or early August of this year. The refunding of the Health System's 2009 Series C-2 Bonds, which were discussed at prior meetings, will occur on July 15. The proposed financing most likely will include variable rate debt, and the project will include shorter-lived assets. Mr. Bond continued by noting the Health System closed on its acquisition of Robinson Memorial Hospital on June 1<sup>st</sup> and that the transition is going well. The Health System is evaluating the possible acquisition of Samaritan Hospital in Ashland, Ohio. With respect to the Health System generally, Mr. Bond noted that its emergency room on the Main Campus continues to be very busy, having treated approximately 46,000 cases that may have gone to other facilities. To alleviate some of the pressure on the emergency room, the Health System opened a Medical Access Clinic to treat patients with non-emergency needs. Mr. Bond then inquired of the Commission members as to whether they had any questions.

Responding to a question from Dr. Kutina, Mr. Bond noted that given the success of the Medical Access Clinic at the Main Campus, the Health System continues to evaluate the growth of similar types of facilities at other locations. These include urgent care centers. Mr. Bond agreed with Dr. Kutina that this is an area in which grant money may be available given its potential for reducing emergency room volume resulting in cost savings. Responding to a question from Mrs. Carter, Mr. Bond noted that the medical clinic currently operates within traditional business hours. However, the Health System is looking to expand those hours to include evenings and weekends to meet patient needs. A medical access clinic is similar to an urgent care center. Mr. Bond observed the increasing use of tele-medicine technology, including the use of smart phones for medical professionals to communicate with patients. Commercial insurance companies are starting to support this technology given the potential for cost savings. An emergency room should be used to treat patients with emergencies; however, current rules require that the Health System treat everyone who comes in. Mr. Needles complimented Mr. Bond both on the Health System's progress over the years and on his presentations to the Commission.

Mr. Burlingame stated that the bond documents have been prepared and are presented in substantially final form. The resolution under consideration approves the issuance of the bonds in multiple series and related documents.

Mr. Wells moved and Mrs. Carter seconded the motion that Resolution No. 2015-14 be adopted.

There being no further discussion, the Chair called for the roll and, pursuant to the roll call, the following votes were cast:

Aye: Carter; Kutina; Needles; Shindler; Tate; Wells; Wilson

Nay: None

The Chair declared the motion passed and Resolution No. 2015-14 adopted.

Resolution No. 2015-14 is as follows:

## CASE WESTERN RESERVE UNIVERSITY

The Chair next called upon Robert Brown, Treasurer, to speak to the Commission members regarding Case Western Reserve University's financing request. Mr. Brown stated that the University was requesting approval for the refinancing of variable rate bonds issued by the Commission in 2001 and 2002. The proposed refinance transaction would be accomplished through a private placement transaction with Wells Fargo. Wells Fargo currently provides liquidity support for the bonds to be refunded. The University currently enjoys an A1 rating from Moody's and AA- rating from S&P. Mr. Brown noted that the University undertook a similar refinance transaction with The Bank of New York approximately three years ago. The proposed bonds will have an initial three year commitment period with the bank and will have the benefit of avoiding tender and liquidity risks associated with traditional variable rate obligations. The size of the bond issue will be approximately \$75 million with an anticipated closing date of July 1<sup>st</sup>. The University approved the bond issue at its June 5<sup>th</sup> meeting. In respect of the University generally, Mr. Brown noted that its recent fundraising campaign has been so successful that it has increased its goal from \$1 billion to \$1.5 billion. Class sizes have increased from 1,100 to 1,250 in the last four years and it is expected to be at the 1,250 level this fall. Mr. Brown then inquired of the Commission members as to whether they had any questions.

Following up on a question from Mr. Needles, Mr. Brown noted that the congregation of the recently acquired temple had some time ago moved to a campus in Pepper Pike, Ohio. The use of the old temple by the congregation is limited to certain holidays and other events such as weddings and funerals. Mr. Brown noted that Peter Lewis' funeral was held at the temple. Under its current arrangement with the congregation, the space can still be used for worship on major holidays for a period of 90 years. Responding to further questions from Mr. Needles, Mr. Brown noted that University fundraising has been very successful and that the University has increased emphasis on applying gift dollars toward scholarships, which helps the University compete with peer institutions. Barbara Snyder, the President of the University, started in that position in the summer of 2007. Responding to a question from Mr. Wilson, Mr. Brown confirmed that the construction of the University's new residence hall is a little behind schedule and that some upper class students may have to stay in hotels for a period of time.

Mr. Burlingame stated that the bond documents have been prepared and are presented in substantially final form. The resolution under consideration approves the issuance of the bonds and related documents.

Mr. Wells moved and Ms. Tate seconded the motion that Resolution No. 2015-15 be adopted.

There being no further discussion, the Chair called for the roll and, pursuant to the roll call, the following votes were cast:

Aye: Carter; Needles; Shindler; Tate; Wells; Wilson

Abstain: Kutina

Nay: None

The Chair declared the motion passed and Resolution No. 2015-15 adopted.

Resolution No. 2015-15 is as follows:

**OTHER BUSINESS**

The Commission members present unanimously approved resolutions honoring the careers of Seth Patton at Denison University and Tom Burkhardt at the University of Dayton.

**CALL OF NEXT MEETING AND ADJOURNMENT**

It is now expected that the Commission will next meet on July 15, 2015 in Columbus, if necessary, or upon the call of the Chair. On a motion duly made and seconded, the meeting was adjourned.

  
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Secretary

10/21/2015