

OHIO HIGHER EDUCATIONAL FACILITY COMMISSION

MINUTES OF THE MEETING OF THE COMMISSION

December 14, 2016

The Ohio Higher Educational Facility Commission (the "Commission") met on Wednesday, December 14, 2016, at 11:00 a.m. in the Board meeting room on the first floor of the Ohio Department of Education Building, 25 S. Front Street, Columbus, Ohio, written notice of which had been given to all members of the Commission.

The following members attended: Thomas Needles, Chair; Jim Bennett, Vice Chair; John Wells, Secretary; Wanda Carter; John Martin; Susan Tate; and Jim Wilson. Absent from the meeting was James Shindler. Also present were representatives of the institution appearing before the Commission; Ben Christensen of the Ohio Department of Higher Education; 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 November 16, 2016 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. Wells that was seconded by Mr. Wilson, all Commission members present approved the minutes of that meeting.

OBERLIN COLLEGE

The Chair next called upon Michael Frandsen, Vice President for Finance and Administration, to speak to the Commission members regarding Oberlin College's financing request. Joining Mr. Frandsen was Mary Joe Diekman, Director of Financial Planning & Analysis. Mr. Frandsen thanked the Commission members, noting the College was doing well in a challenging market for higher education. The College has approximately 2,900 students, approximately 570 of which are enrolled in the College Conservatory. The College has experienced record applications this past fall, allowing the College to maintain good selectivity and increase its support for PEL eligible students. President Marvin Krislov announced his retirement at the end of the current academic year. The search for this replacement is underway. The College has adopted a strategic plan, the goals of which include: an emphasis on inclusion and diversity; and residential and academic connectivity. The College is working to connect current students to alumni and is also looking to connections with alumni as part of its "Four By Four" initiative. The College maintains its focus on sustainability. The College desires to achieve carbon neutrality by 2025. As part of the College campaign, it has raised approximately \$318,000,000 against a goal of \$250,000,000.

In respect of the proposed financing, Mr. Frandsen noted that the larger components will include health and wellness facilities, theater performance space and other academic and residential facilities to provide for general improvements, including security and energy efficiency. Mr. Frandsen then inquired as to whether the Commission member had any questions.

In response to questions from Mrs. Carter and Mr. Wilson, Mr. Frandsen noted that the College's goal of carbon neutrality by 2025 will be a challenge. The College does not want to achieve that goal through purchasing carbon offsets. The College's switch from coal to gas has gone a long way to achieving this goal. The costs of maintaining the College's solar field had decreased. The solar field provides approximately 15% of the College's electricity needs. The College is evaluating opportunities to obtain heat and gas from a nearby landfill. The College's Board would like to see the endowment draw rate reduced to 4.5%. In response to questions from Ms. Tate and Mr. Bennett, Mr. Frandsen noted that the refinance component of the transaction would only be in respect of prior bonds issued by the Commission. In responding to current market challenges, the College is looking at additional revenue streams, including its new hotel which may be a source of conference business. However, the College will not deviate from its core educational mission. The College also is developing distance learning programs for research and other academic purposes. Responding to further questions from Mr. Bennett and from Mr. Needles, Mr. Frandsen noted that the College would first focus on the most cost-effective measures in pursuing its carbon neutrality goals. Future technological advances may assist the College in achieving its timeline. The carbon neutrality goal was first established in 2007 under former College President Nancy Schrom Dye. The College's new hotel will be managed by an outside firm and is expected to be LEAD Platinum Certified. The hotel has been the subject of recent press coverage in the *New York Times*. Ms. Diekman noted that she is a certified public accountant. Prior to coming to the College, she spent time at Ernst & Young. Mr. Frandsen indicated that he has been in education for some time, including as a teacher and as a swim coach. He has his doctorate in management and was at Albion College in Michigan for 10 years, including as interim president. The College's "Four By Four" plan is intended to

connect College alumni with current students. Alumni participation in the College's campaign was high. The College Board has recently approved this financing. Mr. Wells noted that the College's environmental center is a leader among its peers in the area of energy and environmental conservation.

Mr. Burlingame stated that the resolution approves the Preliminary Agreement with the College. That agreement and related resolution preliminarily approve the project and the financing transaction and are in their usual form.

Mr. Wells moved and Mr. Martin seconded the motion that Resolution No. 2016-16 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: Bennett; Carter; Martin; Needles; Tate; Wells; Wilson

Nay: None

The Chair declared the motion passed and Resolution No. 2016-16 adopted.

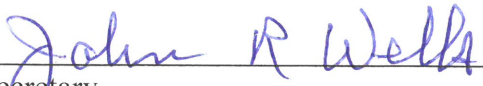
Resolution No. 2016-16 is as follows:

OTHER BUSINESS

The schedule of 2017 meeting dates, which is consistent with past Commission schedules, has been provided to Commission members prior to the meeting. Commission members present unanimously approved that schedule.

CALL OF NEXT MEETING AND ADJOURNMENT

It is now expected that the Commission will next meet on January 18, 2017 in Columbus, if necessary, or upon the call of the Chair. On a motion duly made and seconded, the meeting was adjourned.


Secretary