

**OHIO HIGHER EDUCATIONAL FACILITY COMMISSION**  
**MINUTES OF THE MEETING OF THE COMMISSION**

**October 18, 2017**

The Ohio Higher Educational Facility Commission (the "Commission") met on Wednesday, October 18, 2017, 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; and Susan Tate. Absent from the meeting were James Shindler; and James Wilson. Also present were representatives of the institutions appearing before the Commission; Ben Christensen of the Ohio Department of Higher Education; Katherine Kleinfelder and Corey Marty of RBC Capital Markets; 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 September 20, 2017 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 Ms. Tate, all Commission members present approved the minutes of that meeting.

## THE CLEVELAND CLINIC FOUNDATION

The Chair next called upon Anthony Helton, Administrator-Division of Finance, to speak to the Commission members regarding the Cleveland Clinic Foundation's financing request. Mr. Helton thanked the Commission members, noting that the Foundation enjoyed approximately \$220 million of net present value savings in connection with its most recent Commission financing. The Foundation is seeking approval for additional refinancing of existing debt associated with health education facilities at the Foundation's main campus, as well as facilities at Akron General Medical Center. Overall, the Foundation's financial indicators remain strong, including approximately \$1.4 billion of growth in net assets. The Foundation remains focused on identifying areas to reduce expenses where appropriate, while at the same time making investments to improve patient care, including increases in wages of certain Foundation employees. Mr. Helton then inquired of the Commission members as to whether they had any questions.

In response to a question from Mrs. Carter, Mr. Helton noted that, to cut expenses, the Foundation has worked to reduce the use of outside consultants when possible if expertise exists in-house. The Foundation has endeavored to identify more streamlined processes and the use of technology to find cost savings. Responding to a question from Mr. Needles, Mr. Helton noted that the Foundation is considering a financing in connection with its London hospital project. It is hoped that the London facility will be ready for its first patient in 2020. There are some for-profit competitors already in London, and Mr. Helton is aware that other large, nonprofit health systems are considering facilities there as well.

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 Mr. Martin seconded the motion that Resolution No. 2017-15 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: Bennett; Carter; Martin; Needles; Tate; Wells

Nay: None

The Chair declared the motion passed and Resolution No. 2017-15 adopted.

Resolution No. 2017-15 is as follows:

## KENYON COLLEGE

The Chair next called upon Todd Burson, Vice President for Finance, to speak to the Commission members regarding Kenyon College's financing request. Mr. Burson thanked the Commission members, commenting that he did not expect to be back to the Commission so soon after the College's last financing. However, the College recently received an unexpected \$75 million gift and plans have changed somewhat. Mr. Burson reviewed aspects of the College's master plan and recent College improvements, including the College's North Campus Housing Project, the Gund Gallery and Pierce and Dempsey Halls. Improvements in the Village of Gambier are ongoing and include improvements to Main Street and Chase Avenue. Mr. Burson next described the proposed projects to be funded with bond proceeds. The proposed project includes new library facilities, as well as a new academic quad and related improvements. The proposed library will include an atrium and the College is working with Gund Architects, who also worked on the Ohio State University Library. Facilities will include reading and meeting rooms, as well as a 350-seat auditorium/classroom facility.

Overall, the College is doing well, enjoying its 47<sup>th</sup> consecutive balanced budget. The current freshmen class is a little below what the College had budgeted; however, current indicators suggest that the next class should be back to planned levels. The College currently is in the silent phase of a campaign and its fundraising efforts are ahead of goal. Mr. Burson then inquired of the Commission members as to whether they had any questions.

In response to questions from Ms. Tate and Mr. Needles, Mr. Burson noted that the projects do include the use of swing space. Modular buildings and athletic facilities will be used for library and storage purposes. The College operates its own bookstore. Most College students come from outside the state of Ohio, with 6% of students coming from outside of the United States. In response to questions from Mrs. Carter, Mr. Burson noted that the College does own most of the property in Gambier. The College is viewed as the heart of the Village and Village-College relations are good. An emphasis of College fundraising efforts is to raise money for endowment and scholarships.

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.

Mrs. Carter moved and Mr. Wells seconded the motion that Resolution No. 2017-16 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

Nay: None

The Chair declared the motion passed and Resolution No. 2017-16 adopted.

Resolution No. 2017-16 is as follows:

**OTHER BUSINESS CALL OF NEXT MEETING AND ADJOURNMENT**

It is now expected that the Commission will next meet on November 15, 2017 in Columbus, if necessary, or upon the call of the Chair. On a motion duly made and seconded, the meeting was adjourned.

  
Secretary