

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

March 21, 2018

The Ohio Higher Educational Facility Commission (the "Commission") met on Wednesday, March 21, 2018, 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; James Shindler; Susan Tate; and James Wilson. Also present were representatives of the institutions appearing before the Commission; Ben Christensen and David Cummins of the Ohio Department of Higher Education; Robert Selak of Thompson Hine; 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 February 21, 2018 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.

UNIVERSITY OF DAYTON

The Chair next opened the public hearing required by applicable federal tax regulations related to the University of Dayton. Notice of the hearing was published in *The Columbus Dispatch* and the *Dayton Daily News*. The Chair inquired as to whether there were any comments. No comments having been made and the Commission having received none in the mail or otherwise prior to the hearing, the Chair closed the public hearing.

The Chair next called upon Phil Chick, Treasurer, to speak to the Commission members regarding University of Dayton's financing request. Mr. Chick confirmed that the University is seeking final approval for bonds discussed at the Commission's last meeting. Over half of the proceeds of the new bond issue will be for new projects, with the smaller component to refinance the University's 2009 Bonds issued through the Commission. The new money portion of the bonds will feature a traditional 30-year amortization and will finance several projects on the University's campus, including improvements to the University arena, as well as library and student housing facilities. The proposed refinance component of the transaction is expected to result in approximately \$7.2 million of net present value savings, using a forward delivery structure. The bonds will price later this spring, however, the refunding bonds will not be issued until early September. While the bonds will be issued in two series on different dates, a single offering document will be utilized. Mr. Chick then inquired of the Commission members as to whether they had any questions.

In response to questions from Mr. Wilson and Mr. Needles, Mr. Chick noted that the forward delivery structure would come with some expense, however, the University believes that expense is justified in order to take advantage of the existing interest rate environment. The University is currently rated A2 by Moody's and A+ by Standard & Poor's.

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. Shindler moved and Mr. Wells seconded the motion that Resolution No. 2018-03 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; Shindler; Tate; Wells; Wilson

Nay: None

The Chair declared the motion passed and Resolution No. 2018-03 adopted.

Resolution No. 2018-03 is as follows:

CASE WESTERN RESERVE UNIVERSITY

The Chair next opened the public hearing required by applicable federal tax regulations related to Case Western Reserve University. Notice of the hearing was published in *The Columbus Dispatch* and the *Cleveland Plain Dealer*. The Chair inquired as to whether there were any comments. No comments having been made and the Commission having received none in the mail or otherwise prior to the hearing, the Chair closed the public hearing.

The Chair next called upon Robert Brown, Treasurer, to speak to the Commission members regarding Case Western Reserve University's refinancing request. Mr. Brown thanked the Commission members, noting that it had been approximately 1-1/2 years since the University was last before the Commission. Overall, the University is doing well. Enrollment targets are being met, with a target class size of 1,250 students. With this is the University's continued emphasis on attracting high-quality students, with approximately one-third of applicants being accepted. Enrollment, academic quality and other measures are evidence of the University's improvement over the last ten years. With the knowledge of demographic challenges in Ohio, the University has worked to improve its geographic diversity and recruit outside the state. The University's most recent class included approximately 13% international students. The University is keeping a close eye on legislative developments regarding immigration that may impact the University's ability to attract foreign students. The University has experienced the most success in international recruiting in China. Approximately half of the University's student body is enrolled in its graduate and professional schools. In respect of development, the University has achieved success in fundraising, having achieved its most recent \$1.5 billion capital campaign goal.

The University is requesting approval for the refinance of its Series 2015B Bonds and outstanding Commercial Paper. The 2015B Bonds were issued in a direct placement transaction and are held by Wells Fargo Bank. One objective of the refinancing is to reduce the University's exposure to variable interest rates. The proposed bonds are scheduled to price at the end of April. The lead underwriter is Morgan Stanley. Mr. Brown then inquired of the Commission members as to whether there were any questions.

In response to a question from Mrs. Carter, Mr. Brown noted that there is less economic diversity among international students. By maintaining less discounts with international students, however, the University is able to provide increased levels of scholarship aid for domestic students. The University emphasizes racial and economic diversity and enjoys a history of attracting first-generation college students. The University uses a "need aware" admissions system. Students are required to live on campus during their first two years at the University, however, many continue to live in University-owned facilities beyond the minimum two-year period. In response to questions from Mr. Bennett and Mr. Needles, Mr. Brown noted that facilities needs assessments are accomplished through administration outreach to the various academic departments in order to identify the areas of need. Possible areas for future borrowing will include improvements to classroom, laboratory and engineering facilities. The University's primary competitor in Ohio is Ohio State University.

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. 2018-04 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; Shindler; Tate; Wells; Wilson


Nay: None

The Chair declared the motion passed and Resolution No. 2018-04 adopted.

Resolution No. 2018-04 is as follows:

OTHER BUSINESS CALL OF NEXT MEETING AND ADJOURNMENT

It is now expected that the Commission will next meet on April 18, 2018 in Columbus, if necessary, or upon the call of the Chair. On a motion duly made and seconded, the meeting was adjourned.


Secretary _____