

## OHIO HIGHER EDUCATIONAL FACILITY COMMISSION

### MINUTES OF THE MEETING OF THE COMMISSION

**August 15, 2018**

The Ohio Higher Educational Facility Commission (the "Commission") met on Wednesday, August 15, 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; John Adams; 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; Alexander G. Burlingame of Squire Patton Boggs (US) LLP, Bond Counsel to the Commission, Bill Elliott and Yoon Lee of Blue Rose Capital Advisors; and Don Persinski of KeyBanc Capital Markets.

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 July 18, 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. Wilson that was seconded by Mr. Adams, all Commission members present approved the minutes of that meeting.

## UNIVERSITY HOSPITALS HEALTH SYSTEM

The Chair next opened the public hearing required by applicable federal tax regulations related to University Hospitals Health System. Notice of the hearing was published in *The Columbus Dispatch*, *Ashland-Times Gazette*, 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 Tricia Bires, Director, Treasury, to update the Commission members as to University Hospitals Health System's financing request. Ms. Bires thanked the Commission members, noting that the Health System is seeking final approval for its proposed 2018 bond issuance for the purpose of refinancing existing Commission bonds, as well as to finance additional Health System facilities. The bonds are expected to be issued in multiple series, at different times, and will include bonds that bear interest at both fixed and variable rates. Variable rate bonds may be secured by letters of credit or periodically adjusted based off of indices such as LIBOR. In addition, multiple series of bonds may be issued in both underwritten and direct placement transactions. In response to questions from Mr. Martin, Mr. Adams, and Mr. Needles, Ms. Bires noted that the Health System is aware of the proposed wind-down of the LIBOR index and financing documents will provide for alternate methods of calculating interest on the bonds when that index goes away. In addition to the refinancing and new project components of the Health System's plan of finance, the Health System also will be using its own funds to pay-down taxable obligations.

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 Mrs. Carter seconded the motion that Resolution No. 2018-11 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: Adams; Bennett; Carter; Martin; Needles; Shindler; Tate; Wells; Wilson

Nay: None

The Chair declared the motion passed and Resolution No. 2018-11 adopted.

Resolution No. 2018-11 is as follows:

## THE COLLEGE OF WOOSTER

The Chair next called upon Charles Ingram, Interim Vice President for Finance, to speak to the Commission members regarding The College of Wooster's financing request. Mr. Ingram thanked the Commission members, noting that he has been with the College for approximately three months. Mr. Ingram has approximately 34 years of experience in higher education finance, including as Vice President of Finance at Stockton University and as President of the Western Association of College and University Business Officers. College enrollment remains steady. It enjoys a strong balance sheet and ratios, in large part due to the relatively low amount of College debt. The College expects freshmen enrollment of approximately 570 students against a budget of 560. Applications are up, especially in respect of international students. The College has been identified for its excellence in the area of research and recently completed a capital campaign \$25 million ahead of goal.

Mr. Ingram continued by noting that the College is seeking to issue long-term fixed rate debt to refinance and complete projects identified in its 2017 bond issue, as well as to provide additional funds for ADA and related facilities. Mr. Ingram then inquired of the Commission members as to whether they had any questions.

In response to questions from Mr. Needles, Ms. Tate and Mr. Wilson, Mr. Ingram confirmed that projects largely remain the same as those identified in 2017, with the addition of ADA facility improvements, including improvements to Galpin Hall. While the College has enjoyed success in international recruiting, it also is recommitting to recruitment within the state of Ohio. Shortly after graduation, approximately 94% of graduates either continue onto graduate school or have employment. In response to questions from Mr. Adams and Mr. Bennett, Mr. Ingram confirmed that the College has no swaps on its existing debt and that tuition increase considerations are tied to CPI and inflation figures, with an expected increase in the 3% to 3-1/2% range in the near-term. The College does not outsource food service.

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 Ms. Tate seconded the motion that Resolution No. 2018-12 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: Adams; Bennett; Carter; Martin; Needles; Shindler; Tate; Wells; Wilson

Nay: None

The Chair declared the motion passed and Resolution No. 2018-12 adopted.

Resolution No. 2018-12 is as follows:

## AULTMAN HEALTH FOUNDATION

The Chair next opened the public hearing required by applicable federal tax regulations related to Aultman Health Foundation. Notice of the hearing was published in *The Columbus Dispatch*, the *Alliance Review* and the *Canton Repository*. 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 Mark Wright, Chief Financial Officer, to speak to the Commission members regarding Aultman Health Foundation's financing request. Joining Mr. Wright were Adam Lundtz and Tia Cernava. Following-up on his prior presentation, Mr. Wright confirmed that the Health Foundation maintains programs not only for healthcare delivery but also for education. In addition to facilities in Canton, Ohio, primary hospital facilities include those in Orrville and Alliance, Ohio. It is expected that bond proceeds will be used to refinance existing indebtedness with KeyBank and GE, as well as to finance Foundation facilities at its various locations. Security for the proposed bonds is expected to include a reserve fund, mortgages of certain facilities and a revenue pledge. The bond issue may close sometime in September. Mr. Wright then inquired of the Commission members as to whether they had any questions.

In response to questions from Mr. Bennett and Ms. Tate, Mr. Wright confirmed that the proposed covenants are fairly standard for a transaction of this nature. The Foundation does have some capital leases outstanding, but no other bonds or long-term debt.

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. Shindler seconded the motion that Resolution No. 2018-13 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: Adams; Bennett; Carter; Martin; Needles; Shindler; Tate; Wells; Wilson

Nay: None

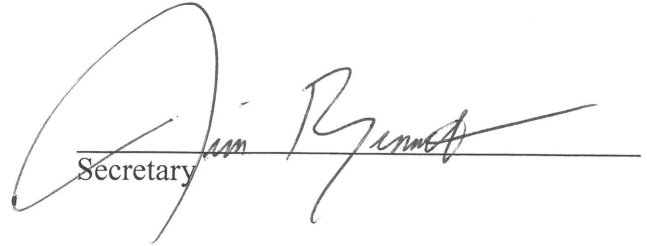
Abstain: Adams

The Chair declared the motion passed and Resolution No. 2018-13 adopted.

Resolution No. 2018-13 is as follows:

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

It is now expected that the Commission will next meet on September 19, 2018 in Columbus, if necessary, or upon the call of the Chair. On a motion duly made and seconded, the meeting was adjourned.

  
Secretary