

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

December 12, 2018

The Ohio Higher Educational Facility Commission (the "Commission") met on Wednesday, December 12, 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; David Cummins, Vice Chair; John Martin, Secretary; John Adams; Susan Tate; and James Wilson. Absent were: Wanda Carter; and James Shindler. Also present was a representative of the institution appearing before the Commission; Ben Christensen of the Ohio Department of Higher Education; Alexander G. Burlingame of Squire Patton Boggs (US) LLP, Bond Counsel to the Commission, Yoon Lee of Blue Rose Capital Advisors; William Conard and Robert McCarthy of Bricker & Eckler; and Katie Kleinfelder of RBC 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 November 14, 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. Adams that was seconded by Ms. Tate, all Commission members present approved the minutes of that meeting.

DENISON UNIVERSITY

The Chair next called upon David English, Vice President for Finance and Management, to speak to the Commission members regarding Denison University's financing request. Mr. English thanked the Commission members, noting that the University was seeking preliminary approval for an approximately \$30 million bond issue to finance new projects on the University campus. The largest component of the financing will include funds for new student residence facilities, designed for upper level students. Bond proceeds will also be used for other campus renovation and general improvement work. Work on the new residence facility will commence this year with the expected completion in 2020. Mr. English noted that the quality of University housing is a differentiator when comparing Denison to other institutions. The housing project will include meaningful donor support. Mr. English then inquired of the Commission members as to whether they had any questions.

In response to questions from Ms. Tate and Mr. Wilson, Mr. English confirmed that the University's discount rate has been decreasing, as confirmed by most recent statistics for the freshmen class. While decreasing the overall discount rate, the University has been able to maintain application rates and diversity levels. The endowment spending rate is based on a formula that takes into account the prior year's spending and endowment value. This is the so-called "Yale Model." This has worked out to an approximate 4.8% spend rate for the University. In response to questions from Mr. Needles, Mr. English noted that the University has approximately 120 off-campus students with an overall enrollment goal of 2,500. The University believes that this enrollment goal is consistent with the desired character of the University. Most University students come from the Midwest, with significant percentages participating in University sports and art programs. Within Ohio, University competition includes Kenyon, Oberlin and The College of Wooster. Outside of Ohio, competing institutions include Colgate, Bucknell and Dickinson. In response to a question from Mr. Wilson, the most popular majors include biology, data analytics and global commerce. Approximately 18% of incoming students are from Ohio. The University has a renewed emphasis on attracting students from central Ohio, including Columbus. The University has been paying down approximately \$10 million a year of existing indebtedness.

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

Mr. Wilson moved and Mr. Adams seconded the motion that Resolution No. 2018-21 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; Cummins; Martin; Needles; Tate; Wilson

Nay: None

The Chair declared the motion passed and Resolution No. 2018-21 adopted.

Resolution No. 2018-21 is as follows:

OTHER BUSINESS CALL OF NEXT MEETING AND ADJOURNMENT

It is now expected that the Commission will next meet on January 16, 2019 in Columbus, if necessary, or upon the call of the Chair. On a motion duly made and seconded, the meeting was adjourned.

 1/16/2019.
Secretary