

## **OHIO HIGHER EDUCATIONAL FACILITY COMMISSION**

### **MINUTES OF THE MEETING OF THE COMMISSION**

**February 26, 2020**

The Ohio Higher Educational Facility Commission (the "Commission") met on Wednesday, February 26, 2020, at 11:00 a.m. at 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; John Martin, Secretary; John Adams; Wanda Carter; and Susan Tate. Absent from the meeting were: Frederick Church; James Shindler; and James Wilson. Also present were: Ben Christensen of the Ohio Department of Higher Education; Alexander G. Burlingame of Squire Patton Boggs (US) LLP, Bond Counsel to the Commission; and representatives of the institution appearing before 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 December 18, 2019 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.

## XAVIER UNIVERSITY

The Chair next called upon Phil Chick, Vice President, Financial Administration and Chief Business Officer, to update the Commission regarding Xavier University's financing request. Mr. Chick thanked the Commission members, noting that there had been no changes to the University's condition since its December presentation. In addition to the refunding of the University's 2010 and 2013 Bonds, the plan of finance includes approximately \$15 million for new projects at the University. The University expects approximately \$10 million of net present value savings and approximately \$560,000 of annual savings. The timeline calls for a closing at the end of March or early April. Mr. Chick then inquired of the Commission members as to whether there were any questions. In response to a question from Mr. Needles, Mr. Chick noted that plans for financing of new residence facilities are being further evaluated by the 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.

Ms. Tate moved and Mr. Adams seconded the motion that Resolution No. 2020-01 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, Carter; Martin; Needles; Tate

Nay: None

The Secretary declared the motion passed and Resolution No. 2020-01 adopted.

Resolution No. 2020-01 is as follows:

## OTTERBEIN HOMES

The Chair next called upon J. Christopher Green, Chief Financial Officer, to speak to the Commission members regarding the financing request of Otterbein Homes. Mr. Green thanked the Commission members, noting that Otterbein Homes is a nonprofit 501(c)(3) entity related to the Methodist Church. It was founded in 1912 and is among the top 25 largest senior care providers. Otterbein Homes is an EAGLE accredited institution that maintains an “A” rating by Standard & Poor’s. Otterbein Homes has approximately 2,200 employees and operates nine nursing homes throughout the state and in Indiana. Otterbein Homes provides assisted living and skilled nursing facilities and related living facilities.

In response to questions from Mr. Needles, Mr. Green indicated that the projects to be financed are primarily in support of Otterbein Homes assisted living and nursing facilities, with a smaller portion for related residential facilities and administrative space. Each home within a nursing facility includes ten individual rooms. The campus concept maintained by Otterbein Homes of similar scale has been seen more frequently in the South. In response to questions from Mr. Adams and Ms. Tate, Mr. Green confirmed that there were no projects to be financed in Indiana. The proposed bonds are being issued to finance health care facilities under state law. So-called “pocket homes” are not part of the financing. Medicaid payments are accepted in connection with the assisted living and nursing facilities. If a resident or patient runs out of money, they will still be able to stay in the community. In response to questions from Mr. Martin and Mr. Needles, Mr. Green confirmed that the communities include rehabilitation and memory care facilities. Otterbein Homes’ facilities are surveyed by the State. Ongoing challenges in its industry include regulation, Medicaid payment levels, wage pressure and competition. Approximately 10% of community residents are private pay. Costs for residents and patients are approximately \$300 per day for nursing and approximately \$150 per day for independent living. Mr. Green indicated that the financing schedule includes that Otterbein Homes return to the Commission at its March meeting for final approval.

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

Mr. Adams moved and Mrs. Carter seconded the motion that Resolution No. 2020-02 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, Carter; Martin; Needles; Tate

Nay: None

The Secretary declared the motion passed and Resolution No. 2020-02 adopted.


Resolution No. 2020-02 is as follows:

**OTHER BUSINESS**

Mr. Christensen discussed the Commission's budget and fund balances. He also noted that the State is in the process of performing its scheduled audit of the Commission.

**CALL OF NEXT MEETING AND ADJOURNMENT**

It is now expected that the Commission will next meet on March 18, 2020 in Columbus, if necessary, or upon the call of the Chair. On a motion duly made and seconded, the meeting was adjourned.

  
Secretary