

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

August 19, 2020

The Ohio Higher Educational Facility Commission (the "Commission") met by teleconference on Wednesday, August 19, 2020, at 11:00 a.m. at +1-415-655-0001, Meeting number (access code): 171 711 1256#, written notice of which had been given to all members of the Commission. By call of the roll by the Secretary, the following members attended: Thomas Needles, Chair; Frederick Church, Vice Chair; John Martin, Secretary; Wanda Carter; James Shindler; Susan Tate; and Mike Gonsiorowski. Absent was James Wilson. Also present were: Ben Christensen and Stacey Batesole 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 institutions 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 record should also show that this meeting was held and conducted by means of teleconference as permitted by Ohio House Bill 197, signed into law on March 27, 2020. All appropriate notifications and access information were given to the public and media as required by said House Bill.

The Chair noted that the minutes of the Commission meeting of July 15, 2020 were sent to each member prior to this meeting. Upon a motion by Mrs. Carter that was seconded by Mr. Shindler, all Commission members present approved the minutes of that meeting by the affirmative individual vote of each member present.

PREMIER HEALTH

The Chair next called upon J. Michael (Mike) Sims, System Vice President – Treasurer and Corporate Controller, to update the Commission in connection with Premier Health’s financing request.

Mr. Sims thanks the Commission members. Premier Health had presented at the Commission’s July meeting. The plan of finance provides for the refinance for savings of 2011 Bonds issued by Montgomery County for the Health System. An offering document will be printed soon, with pricing expected in early September.

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. Martin moved and Mr. Shindler seconded the motion that Resolution No. 2020-11 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: Carter; Church; Gonsiorowski; Martin; Needles; Shindler; Tate

Nay: None

The Secretary declared the motion passed and Resolution No. 2020-11 adopted.

Resolution No. 2020-11 is as follows:

JOHN CARROLL UNIVERSITY

The Chair next called upon Lauri Strimkovski, Vice President for Finance and Administration, to update the Commission members regarding the financing request of John Carroll University. John Clifford, University Controller, and Scott Talcott of Blue Rose Capital Advisors, financial advisor to the University, also dialed-into the meeting.

Ms. Strimkovski noted that the University's plan of finance remains unchanged, with the financing of assorted improvements, including Dolan Hall improvements and refinancing an existing Murphy Hall loan. The scheduled move-in date for students has been delayed due to COVID. Enrollment is holding-up. In response to questions from Mr. Needles, Ms. Strimkovsky confirmed that the University would revisit its COVID response plans in early September. An all-remote schedule is a possibility, depending on local factors and what other schools are doing. Student gatherings off-campus are a challenge. Enrollment, especially returning enrollment, is holding-up. Original planning for freshman was 725 students. That number is currently 640, but the University had modeled for number lower than that in its worst-case scenario.

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. Gonsiorowski moved and Ms. Tate seconded the motion that Resolution No. 2020-12 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: Carter; Church; Gonsiorowski; Martin; Needles; Shindler; Tate

Nay: None

The Secretary declared the motion passed and Resolution No. 2020-12 adopted.

Resolution No. 2020-12 is as follows:

UNIVERSITY CIRCLE INCORPORATED

The Chair next called upon Brad Bond, Vice President-Treasury, of University Hospitals, Tricia Bires, Director University Hospitals, Chris Ronayne, President of University Circle Inc. and Dean Parker CFO of University Circle Inc. to speak to the Commission in connection with University Circle Inc.'s financing request.

Mr. Bond thanked the Commission members. The proposed financing will not be treated as a debt of the health system. The transaction is intended to transfer risk and provide the health system with capital. The health system maintains A2/A category ratings. There was a health system revenue decline in April and May. After the stay-at-home order was lifted, the health system was aggressive in bringing-back patients. Starting in June, patient levels and revenues improved. The health system worked to cut labor costs as part of its COVID response. April business levels had been down over 40%. The health system has received CARES Act funds and is helping with clinical trials for COVID treatment. Chris Ronayne extended thanks and noted University Circle Inc.'s long-time partnership with institutions in the University Circle area and is happy to partner with the health system on this financing, as well as with other area healthcare, educational and cultural institutions generally, and in their responses to COVID. In the financing University Circle Inc. will be assisting with hospital parking operations and revenues. This transaction has been approved by the University Circle Inc. Board. In response to questions from Mr. Gonsiorowski and Mr. Needles, Mr. Bond noted that the Bonds will not be supported by UH's credit rating. There will be a rating from Moody's but that will be based on the financed parking facilities. The health system Board approved the transaction in late 2019.

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, their purchase by Morgan Stanley and related documents.

Mr. Needles moved and Mrs. Carter seconded the motion that Resolution No. 2020-13 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: Carter; Church; Gonsiorowski; Martin; Needles; Shindler; Tate

Nay: None

The Secretary declared the motion passed and Resolution No. 2020-13 adopted.

Resolution No. 2020-13 is as follows:

OTHER BUSINESS

Mr. Christensen noted that the State is almost done with its regular audit of the Commission. He will provide an update at the next meeting.

CALL OF NEXT MEETING AND ADJOURNMENT

It is now expected that the Commission will next meet on September 16, 2020 by teleconference, if necessary, or upon the call of the Chair. On a motion duly made and seconded, the meeting was adjourned.



Secretary