

OHIO HIGHER EDUCATIONAL FACILITY COMMISSION

MINUTES OF THE MEETING OF THE COMMISSION

July 21, 2021

The Ohio Higher Educational Facility Commission (the "Commission") met on Wednesday, July 21, 2021, 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; James Shindler; Mike Gonsiorowski; and Susan Tate. Absent: Frederick Church, Vice Chair. 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 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 Chair noted that the minutes of the Commission meeting of June 14, 2021 were sent to each member prior to this meeting. Upon a motion by Mr. Shindler that was seconded by Mr. Adams, all Commission members present approved the minutes of that meeting by the affirmative individual vote of each member present.

OTTERBEIN HOMES

The Chair next called on J. Christopher Green, Chief Financial Officer, to speak to the Commission regarding the financing request of Otterbein Homes. He was joined by counsel to Otterbein Homes, Jason George. Mr. Green thanked the Commission, noting that the plan of finance and schedule relating to the refinancing of bonds related to Sunset Retirement Communities remains unchanged since the June Commission meeting.

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 Mr. Adams seconded the motion that Resolution No. 2021-10 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; Gonsiorowski; Martin; Needles; Shindler; Tate

Nay: None

The Secretary declared the motion passed and Resolution No. 2021-10 adopted.

Resolution No. 2021-10 is as follows:

OTTERBEIN HOMES (AMENDMENT OF TRUST AGREEMENT)

Mr. Burlingame noted that the resolution presented regarding an Otterbein Homes amendment approves a modification of the interest rate provisions of the Trust Agreement for 2000 bonds. There is no new financing or project. The amendment was requested by Otterbein Homes and 5/3rd, as sole bondholder, and will be approved by the trustee, Otterbein Homes and the bondholder.

Ms. Tate moved and Mr. Gonsiorowski seconded the motion that Resolution No. 2021-11 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; Gonsiorowski; Martin; Needles; Shindler; Tate

Nay: None

The Secretary declared the motion passed and Resolution No. 2021-11 adopted.

Resolution No. 2021-11 is as follows:

UNIVERSITY HOSPITALS

The Chair next called upon Bradley Bond, Vice President, Treasury, to speak to the Commission regarding the financing request of University Hospitals Health System. Mr. Bond thanked the Commission members. A portion of the requested financing is in connection with the refinance of the existing debt of Lake Health System in Lake County, Ohio. Lake Health System was acquired by University Hospitals Health System earlier this year. The acquisition provides for opportunities in a growing area of Northeast Ohio and was accomplished after a competitive process. The acquisition will give the Health System control over a former Lake Health joint venture near its Ahuja Hospital. The plan of finance also includes the refinance of bonds issued by the Commission for the benefit of the Health System.

The Health System hopes to achieve approximately \$54 million of net present value savings. There's a desire to restructure amortization so as to make additional funds available for Health System projects and investment over the next several years. The Health System is transitioning to Allscripts for medical records. This appears to be the more popular with doctors and is anticipated to provide more favorable outcomes in dealing with insurance companies. The Health System has significant capital needs over the next several years, but will be issuing debt as a last resort. In response to questions from Mr. Martin and Mr. Gonsiorowski, Mr. Bond Confirmed that there are no new projects for this bond issue and that the Health System currently maintains A2 and A ratings from Moody's and S&P.

Mr. Bond noted the importance of Federal and State support during the pandemic. Health System community benefit exceeds \$400 million. The Health System has made significant

investment in Covid preparations, though cases have been less than expected. Sports medicine and pediatrics are areas that have seen declines as a result of the pandemic. April and May saw a improvement for the Health System with increased patient activity. There is high demand for nurses. In response to questions from Mr. Needles and Mr. Gonsiorowski, Mr. Bond confirmed COVID case were relatively low at the moment and volume has increased. The increase is a function of pent-up demand, though some are still deferring procedures. In response to further questions from Mr. Needles, Ms. Tate, and Mr. Shindler, Mr. Bond noted an eighteen month pay-back period for federal aid. The Health System maintains a line of credit which is currently unused. In the healthcare market, rural hospitals seem to be facing the most challenges. At the moment, employees are not required to be vaccinated, though most are. The Health System has been deeply involved with vaccine research and trials. In response to questions from Mr. Needles and Mr. Gonsiorowski, Mr. Bond noted that it will be a multi-year transition to Allscripts. Records do transfer between health systems. Summa, Firelands and Magruder are examples of area health systems that have not been acquired by larger systems.

Mr. Burlingame stated that the resolution approves the Preliminary Agreement with University Hospitals Health System. That agreement and related resolution preliminarily approve the transaction.

Mr. Gonsiorowski moved and Mr. Shindler seconded the motion that Resolution No. 2021-12 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; Gonsiorowski; Martin Needles; Shindler; Tate

Nay: None

The Secretary declared the motion passed and Resolution No. 2021-12 adopted.

Resolution No. 2021-12 is as follows:

OTHER BUSINESS AND CALL OF NEXT MEETING AND ADJOURNMENT

It is now expected that the Commission will next meet on August 18, 2021, if necessary, or upon the call of the Chair. On a motion duly made and seconded, the meeting was adjourned.



Secretary

