

## **OHIO HIGHER EDUCATIONAL FACILITY COMMISSION**

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

**November 16, 2022**

The Ohio Higher Educational Facility Commission (the "Commission") met on Wednesday, November 16, 2022, at 11:00 a.m. at the Ohio Department of Education Building, 25 S. Front Street, Columbus, Ohio, due written notice of which had been given to all members of the Commission.

The following members attended: Thomas Needles, Chair; Frederick Church, Vice Chair; John Martin, Secretary; John Adams; Susan Tate; Mike Gonsiorowski; and James Shindler. 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; Michelle Chavanne of the Ohio Department of Higher Education; and a representative 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 August 17, 2022 were sent to each member prior to this meeting. Upon a motion by Ms. Tate that was seconded by Mr. Shindler, all Commission members approved the minutes of that meeting.

#### **UNIVERSITY HOSPITALS**

The Chair next called on Tricia Bires, Director, Treasury, to speak to the Commission members regarding University Hospitals Health System's financing request. Ms. Bires thanked the Commission members and extended regards from Brad Bond. In 2021, the Commission issued several series of bonds for the Health System to finance and refinance assorted hospital facilities, including in connection with the Health System's acquisition of Lake Health System. At that time, the Health System locked in an interest rate with JPMorgan for the then proposed refunding of the Health System's Series 2013A Bonds in early 2023. The proposed bonds are to refund those Series 2013A Bonds. The Health System, like other health systems, has experienced some challenges in 2022. These include inflation and increased labor costs. Nurses have been retiring and newer nurses are leaving the profession. Northeast Ohio has had a high level of the Omicron variant. Supply chain costs are up and there are costs associated with the implementation of the Epic patient records system. Patient revenue is up 4%. Ms. Bires then inquired as to whether there were any questions.

In response to questions from Mr. Shindler, Ms. Bires noted that increased pay and signing bonuses have been used to attract and retain nurses. The Health System has closed its Bedford

and Richmond Heights, Ohio facilities. Staff have been redistributed to other Health System facilities. Doctors are employed by the Health System. Categories of doctors include those that are in the regular course of patient treatment and the others that are specialists or participate in academics. In evaluating costs, the Health System works to maintain the right level of doctors without limiting patient care. In response to questions from Mr. Gonsiorowski and Mr. Adams, Ms. Bires noted that the rating agencies understand the Health System's challenges as they are challenges impacting the industry. The Health System expects its next rating evaluation early next year. The proposed refinancing will achieve approximately \$20 million in net present value savings. The Health System is evaluating other options in respect of its debt and refinance opportunities. In response to questions from Ms. Tate and Mr. Martin, Ms. Bires noted that pediatric beds are at 105% of capacity due to the RSV virus. Beds on other floors are being utilized. Bedford and Richmond Heights facilities have been closed. Patients are going to other close modern facilities. Approximately 90% of staff have gone to other Health System facilities, with the remaining portion retiring or otherwise leaving. In response to questions from Mr. Needles, Ms. Bires noted that there still would be challenges even without the pandemic. Pre-COVID, the average nurse age was 48. Training during the pandemic has been more difficult. There still is a mask policy in place in clinical settings. Bedford facility improvements were financed by Cuyahoga County bonds issued in the 1990's that were later refinanced by Commission bonds. It is anticipated that the Bedford facilities will be removed from Commission financing documents.

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. 2022-18 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; Church; Gonsiorowski; Martin; Needles; Shindler; Tate

Nay: None

The Secretary declared the motion passed and Resolution No. 2022-18 adopted.

Resolution No. 2022-18 is as follows:

## **LIBOR TRANSITION**

Mr. Burlingame noted that the London Interbank Offered Rate (LIBOR) index will cease to exist in the public finance markets in 2023. Several issues of Commission bonds calculate interest with a formula that utilizes LIBOR. The following resolutions relating to LIBOR facilitate the implementation of alternate indexes by the respective institutions. There are no new bond issues or projects.

## **UNIVERSITY HOSPITALS-LIBOR MATTERS**

The Commission next considered a resolution approving document changes and related actions and documents in connection with the transition away from LIBOR for University Hospitals Health System financings. There being no questions, the Commission members voted on the resolution presented.

Mr. Martin Moved moved and Mr. Shindler seconded the motion that Resolution No. 2022-19 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; Church; Gonsiorowski; Martin; Needles; Shindler; Tate

Nay: None

The Secretary declared the motion passed and Resolution No. 2022-19 adopted.

Resolution No. 2022-19 is as follows:

## **BALDWIN WALLACE UNIVERSITY-LIBOR MATTERS**

The Commission next considered a resolution approving document changes and related actions and documents in connection with the transition away from LIBOR for Baldwin Wallace University's 2018 Bonds. There being no questions, the Commission members voted on the resolution presented.

Mr. Gonsiorowski moved and Mr. Adams seconded the motion that Resolution No. 2022-20 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; Church; Gonsiorowski; Martin; Needles; Shindler; Tate

Nay: None

The Secretary declared the motion passed and Resolution No. 2022-20 adopted.

Resolution No. 2022-20 is as follows:

## **WALSH UNIVERSITY-LIBOR MATERS**

The Commission next considered a resolution approving document changes and related actions and documents in connection with the transition away from LIBOR for Walsh University's 2009 Bonds. There being no questions, the Commission members voted on the resolution presented.

Ms. Tate moved and Mr. Shindler seconded the motion that Resolution No. 2022-21 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; Church; Gonsiorowski; Martin; Needles; Shindler; Tate

Nay: None

The Secretary declared the motion passed and Resolution No. 2022-21 adopted.

Resolution No. 2022-21 is as follows:

## **XAVIER UNIVERSITY-LIBOR MATTERS**

The Commission next considered a resolution approving document changes and related actions and documents in connection with the transition away from LIBOR for Xavier University's 2015 Bonds. There being no questions, the Commission members voted on the resolution presented.

Ms. Gonsiorowski moved and Mr. Adams seconded the motion that Resolution No. 2022-22 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; Church; Gonsiorowski; Martin; Needles; Shindler; Tate

Nay: None

The Secretary declared the motion passed and Resolution No. 2022-22 adopted.

Resolution No. 2022-22 is as follows:



**UNIVERSITY OF DAYTON-LIBOR MATTERS**

The Commission next considered a resolution approving document changes and related actions and documents in connection with the transition away from LIBOR for University of Dayton's 2016 Bonds. There being no questions, the Commission members voted on the resolution presented.

Ms. Shindler moved and Mr. Adams seconded the motion that Resolution No. 2022-23 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; Church; Gonsiorowski; Martin; Needles; Shindler; Tate

Nay: None

The Secretary declared the motion passed and Resolution No. 2022-23 adopted.

Resolution No. 2022-23 is as follows:

**FRANKLIN UNIVERSITY**

The Commission next considered a resolution for Franklin University. The current interest period for the University's 2016 Bonds expires next year. The resolution approves documents and actions related to the establishment of a new interest period and a new rate in that period. There are no new bonds or projects. The Commission members proceeded to vote on the presented resolution.

Mr. Martin moved and Mr. Gonsiorowski seconded the motion that Resolution No. 2022-24 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; Church; Gonsiorowski; Martin; Needles; Shindler; Tate

Nay: None

The Secretary declared the motion passed and Resolution No. 2022-24 adopted.

Resolution No. 2022-24 is as follows:



## **RULES REVIEW**

The Commission members next discussed the Commission's administrative rules. The current rules were distributed to the Commission members prior to the meeting. The State requires that they be reviewed by the Commission every five years. Michelle Chavanne, General Counsel to the Department of Higher Education, assists the Commission with this process. Ms. Chavanne will report to the State that either no changes are necessary or any approved changes. After discussion, all member agreed no changes are needed.

## **ELECTIONS**

The Commission members next considered its periodic election of officers. The Chair is appointed by the Governor.

### **Election of Vice Chair**

It has been the Commission's custom that the Chancellor's designee hold the office of Vice Chair. Mr. Church is willing to continue to serve as Vice Chair of the Commission.

There being no further discussion, Mr. Adams moved and Mr. Shindler seconded the motion that Resolution No. 2022-25 be adopted providing for the election of Frederick Church to continue to serve as Vice Chair of the Commission, to serve until his resignation, until a successor is duly elected or until such time as he is no longer a member of the Commission.

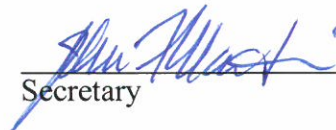
### **Election of Secretary**

Mr. Martin indicated his willingness to continue to serve as Secretary of the Commission.

There being no further discussion, Ms. Tate moved and Mr. Gonsiorowski seconded the motion that Resolution No. 2022-26 be adopted providing for the election of John Martin to continue to serve as Secretary of the Commission, to serve until his resignation, until a successor is duly elected or until such time as he is no longer a member of the Commission.

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

Mr. Christensen noted that the Commission's regular audit process with the State is ongoing but that it may be complete pending word from the State Auditor's office. The Commission members agreed to continue to meet in 2023 at the same times and location on the third Wednesday of each month, except for December which will be on the second Wednesday. Commission members also discussed the status of legislation for remote meetings. The Chair will be following up with the Governor's office on that matter. The 2022 fiscal year annual report of the Commission was circulated to the members. The report will be posted on the Commission's website. A December meeting is not expected. It is now expected that the Commission will next meet on January 18, 2023, if necessary, or upon the call of the Chair. On a motion duly made and seconded, the meeting was adjourned.

  
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Secretary