

OHIO HIGHER EDUCATIONAL FACILITY COMMISSION

MINUTES OF THE MEETING OF THE COMMISSION

February 15, 2012

The Ohio Higher Educational Facility Commission (the "Commission") met on Wednesday, February 15, 2012, at 11:00 a.m. on the 36th Floor of the Rhodes State Office Tower, 30 East Broad Street, Columbus, Ohio, written notice of which had been given to all members of the Commission.

The following members attended: David Cannon, Vice Chair; Kenneth Kutina, Secretary; Wanda Carter; Lynnda Davis; Thomas Needles; and Susan Tate. John R. Wells, Chairman, was absent. Also present were representatives of the institution appearing before the Commission; Ben Christensen of the Ohio Board of Regents; and Alexander G. Burlingame of Squire Sanders (US) LLP, Bond Counsel to the Commission.

The meeting was called to order by the Vice 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 Vice Chair noted that the minutes of the Commission meeting of December 14, 2011, 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 Dr. Kutina that was seconded by Mr. Needles, all Commission members present approved the minutes of that meeting.

DENISON UNIVERSITY

The Secretary next called upon Seth Patton, Vice President for Finance and Management, to speak to the Commission members regarding Denison University's financing request. Joining Mr. Patton was Cathy Untied, Controller. Mr. Patton thanked the Commission members, noting that he had been with the University for approximately 25 years and that this was his sixth time coming before the Commission in connection with a University financing. The University manages its debt carefully, using it as a tool to facilitate campus growth and enhancement. Mr. Patton noted that much of the proposed project includes facilities that were the subject of the University's last financing through the Commission. This includes the construction of new athletic facilities, including a swimming pool, student residence facilities and classroom facilities. Some of these facilities have been in the planning stages for some time, but were delayed due to the 2008 economic decline. A portion of the Commission financing will effectively provide bridge funding to the University in anticipation of gift receipts. Other aspects of the proposed financing include improvements to various University HVAC systems, some of which are 50 years old, and energy conservation projects. The University will also be upgrading its telephone system. The University is requesting a bond issue in the amount of \$25,000,000. Mr. Patton noted that that amount may increase to \$40,000,000 if market conditions are favorable for the refinance of prior bond issues. Mr. Patton then inquired of the Commission members as to whether they had any questions.

Dr. Kutina complemented Mr. Patton on the quality of the University's application package. Referring to depictions of the new athletic facilities, Dr. Kutina inquired as to the location of proposed new facilities in contrast to existing facilities. Mr. Patton described where work would be taking place, including areas of the athletic facility that would include renovation and areas that would include new construction. Over the last ten or more years, the University tried to make its existing swimming pool work, but it could not handle the level of use that the University requires. Water and air quality were becoming an issue. The University considered keeping the old swimming pool, but it would have been too expensive to upgrade and maintain. The new swimming pool will be four times larger than the existing pool, and athletic facility improvements will include spaces for fitness. Mr. Patton confirmed that this is all within the University's Master Plan, which it is in the process of updating. The University is working with the Cornelius McLaughlin firm in that process.

Responding to questions from Mr. Cannon, Mr. Patton noted that the term of the Bond issue would be approximately 25 years with the additional cost of the financing equating to approximately \$300 per student. Responding to questions from Ms. Tate and Dr. Kutina, Mr. Patton confirmed that the Bonds would be issued at fixed interest rates and could bear interest as low as in the three percent range. The Bond issue will be facilitated through a traditional underwriting process, and the University currently maintains ratings in the AA category by both S&P and Moody's. RBC Capital Markets will be acting as the lead underwriter, with participation by PNC Capital Markets and Fifth Third Securities.

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

Mrs. Davis moved and Ms. Tate seconded the motion that Resolution No. 2012-01 be adopted.

There being no further discussion, the Secretary called for the roll and, pursuant to the roll call, the following votes were cast:

Aye: Cannon; Carter; Davis; Kutina; Needles; Tate

Nay: None

The Secretary declared the motion passed and Resolution No. 2012-01 adopted.

Resolution No. 2012-01 is as follows:

OTHER BUSINESS

The Commission members also reviewed and discussed the resolution recognizing the contributions of Francis Barry Keefe to the Commission. After some comment, the Commission members unanimously adopted that resolution. Mr. Burlingame noted that at a meeting later in the year, the Commission members could join together for a luncheon in honor of Mr. Keefe.

CALL OF NEXT MEETING AND ADJOURNMENT

It is now expected that the Commission will next meet on March 21, 2011, if necessary, or upon the call of the Chairman. On a motion duly made and seconded, the meeting was adjourned.


Secretary