

OHIO HIGHER EDUCATIONAL FACILITY COMMISSION

MINUTES OF THE MEETING OF THE COMMISSION

May 15, 2013

The Ohio Higher Educational Facility Commission (the "Commission") met on Wednesday, May 15, 2013, at 11:00 a.m. on the 18th Floor, Room 1855, of the Rhodes State Office Tower, Columbus, Ohio, written notice of which had been given to all members of the Commission.

The following members attended: Thomas Needles, Chair; David Cannon, Vice Chair; Kenneth Kutina, Secretary; Wanda Carter; John Martin; James Shindler; John Wells; and James Wilson. Absent from the meeting was Susan Tate. Also present were: representatives of the institutions appearing before the Commission; Ben Christensen of the Ohio Board of Regents; Kevin Scott of Key Government Finance; Michelle Salomon and Jason Bormann of Bank of America Merrill Lynch; and Alexander G. Burlingame of Squire Sanders (US) LLP, Bond Counsel to 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 welcomed John Martin. Mr. Martin was recently appointed to the Commission by the Governor.

The Chair noted that the minutes of the Commission meeting of April 17, 2013, 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. Wilson, all Commission members present approved the minutes of that meeting.

CEDARVILLE UNIVERSITY

The Chair next called upon Christopher Sohn, Chief Financial Officer, to speak to Commission members regarding Cedarville University's financing request. Mr. Sohn was joined by Phil Grafton, Associate Vice President for Finance. Mr. Sohn stated that the University's plan of finance remains essentially the same as was described at the Commission's April meeting. With respect to the new money component of the financing, the bonds will bear interest at less than 3% at a fixed rate for a 10-year term. There were no questions from Commission members.

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. Wilson moved and Mr. Wells seconded the motion that Resolution No. 2013-12 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: Cannon; Kutina; Martin; Needles; Shindler; Wells; Wilson

Nay: None

Abstain: Carter

The Chair declared the motion passed and Resolution No. 2013-12 adopted.

Resolution No. 2013-12 is as follows:

KENYON COLLEGE

The Chair next called upon Teri Blanchard, Associate Vice President for Finance, to speak to the Commission members regarding Kenyon College's financing request. Joining Ms. Blanchard was Joseph Nelson, Vice President for Finance, and Todd Burson. Ms. Blanchard thanked the Commission members, noting that Kenyon College is seeking approval for the refinancing of 2002 bonds issued through the Commission. The purpose of the refinancing is to take advantage of historically low interest rates, and to reduce the risk of future interest rate adjustments. The College's financing schedule calls for the bonds to be priced in June with a July or August closing. The schedule is subject to market conditions. Ms. Blanchard also introduced Todd Burson from the College. Mr. Burson will be assuming Ms. Blanchard's position at the College upon her phased retirement, which commences later this summer. Ms. Blanchard then inquired of the Commission members as to whether they had any questions.

In response to questions from Dr. Kutina, Ms. Blanchard confirmed that more females apply to the College than males, and that the College works actively to maintain a balance between the number of male and female students. This is a challenge for all private colleges. Mr. Needles complimented the College on the quality of its application materials, including those that describe Peirce Hall, improvements to which include updated HVAC systems, elevators, and the cafeteria.

Responding to questions from Mr. Wilson and Mr. Cannon, Ms. Blanchard noted that the College maintains long-term debt of approximately \$187 million and that total endowment value is approximately \$180 million. The College, given relatively low borrowing rates, desires to extend the amortization period for the bonds to the extent feasible. Mr. Nelson noted that the College is using campaigns to improve its balance sheet. Ms. Salomon further noted that the College's plan of finance follows a trend in higher education in which similar institutions are also moving variable rate debt to long-term fixed rate debt. Responding to further questions from Dr. Kutina, Ms. Blanchard noted that the College expects an all-in interest rate of approximately 4% and that the bonds will have an average life of 23-27 years. The College enjoys ratings of A1 and A+, respectively, by the major credit rating agencies, with a stable outlook. The College does not anticipate additional borrowings in the near-term. The Commission members next viewed a video presentation prepared by the College which was originally produced for the benefit of recently admitted students for the fall 2013 class.

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. Wells moved and Mrs. Carter seconded the motion that Resolution No. 2013-13 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: Cannon; Carter, Kutina; Martin; Needles; Shindler; Wells; Wilson

Nay: None

The Chair declared the motion passed and Resolution No. 2013-13 adopted.

Resolution No. 2013-13 is as follows:


OTHER BUSINESS

At the request of the Chair, Mr. Wells read a resolution of the Commission memorializing the Commission's appreciation for Ms. Blanchard's years of service to Kenyon College and to higher education in Ohio. The Commission's members present unanimously approved the adoption of that resolution (Resolution 2013-14).

Mr. Cannon continues as Vice Chair and as the Chancellor's designee on the Commission. By motion made by Mr. Wells that was seconded by Dr. Kutina, and there being no further discussion, the Commission members present unanimously confirmed Mr. Cannon's continued status as Vice Chair (Resolution 2013-15).

CALL OF NEXT MEETING AND ADJOURNMENT

Commission members further discussed the possibility of holding a Commission meeting at Oberlin College in June. It is now expected that the Commission will next meet on June 19, 2013, if necessary, or upon the call of the Chair. On a motion duly made and seconded, the meeting was adjourned.


Secretary