

## **OHIO HIGHER EDUCATIONAL FACILITY COMMISSION**

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

**November 16, 2016**

The Ohio Higher Educational Facility Commission (the "Commission") met on Wednesday, November 16, 2016, at 11:00 a.m. in the Board meeting room on the first floor of 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; Jim Bennett, Vice Chair; John Wells, Secretary; Wanda Carter; John Martin; and James Shindler. Absent from the meeting were Susan Tate and James Wilson. Also present were representatives of the institutions appearing before the Commission; Ben Christensen of the Ohio Department of Higher Education; and Alexander G. Burlingame of Squire Patton Boggs (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 noted that the minutes of the Commission meeting of October 19, 2016 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 Mr. Shindler that was seconded by Mr. Wells, all Commission members present approved the minutes of that meeting.

## XAVIER UNIVERSITY

The Chair next called upon Maribeth Amyot, Executive Vice President and Chief Financial Officer, to speak to the Commission members regarding Xavier University's financing request. Ms. Amyot thanked the Commission members, providing an update since her appearance at the October 2016 Commission meeting. Rating reports for the proposed transaction are due shortly. The bond issue will be approximately \$25 million in size, amortizing over a 30-year period at fixed interest rates. Barclay's is acting as Underwriter for the bonds, which will include a 10-year par call provision. Proceeds will be used to finance approximately \$18 million of improvements at Alter Hall classroom building and \$7 million of other capital improvements on the campus. Ms. Amyot then inquired of the Commission members as to whether they had any questions.

In response to questions from Mrs. Carter and Mr. Needles, Ms. Amyot confirmed that enrollment has improved as compared to budget, especially with respect to graduate enrollment, which has increased approximately 14%. The University is working to reduce its discount rate, while at the same time maintaining diversity and enrollment of first generation university students. Sophomore student retention is at approximately 82% as compared to a 73% national average. The University expects ratings in the "A" category from both Fitch and Moody's and a "BBB+" rating from S&P.

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 Mr. Martin seconded the motion that Resolution No. 2016-14 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: Bennett; Carter; Martin; Needles; Shindler; Wells

Nay: None

The Chair declared the motion passed and Resolution No. 2016-14 adopted.

Resolution No. 2016-14 is as follows:

## FRANCISCAN UNIVERSITY OF STEUBENVILLE

The Chair next called upon David Skiviat, Vice President of Finance, to speak to the Commission members regarding Franciscan University of Steubenville's financing request. Since Mr. Skiviat's presentation at the October meeting, the University has been working with S&P to obtain the University's first bond rating. It is expecting an investment grade rating in the "BBB" or "A" category. Factors working in the University's favor include its strong balance sheet and relatively low level of debt. The primary motivation for the financing is to refinance the University's 2006 bonds at favorable interest rates. It is expected the bond issue will be sized at approximately \$23 million. Financed facilities include Eagan Hall, energy conservation projects, refacing of buildings and interior work, and residence hall renovations. With respect to enrollment, the University's objective is to maintain current levels. The University has experienced a small decline in the level of transfer students. Applications to date have increased by 40. Newer University programs include proposed masters in theology, and associate degrees in philosophy and theology. One University initiative includes partnering with programs that provide for home schooling of Catholic K-12 students. Mr. Skiviat noted that the University has separately completed its financing of the Franciscan Square project. Mr. Skiviat further confirmed that George K. Baum & Company was acting as Underwriter for the bond issue. In response to a question from Mr. Shindler, Mr. Skiviat confirmed that Franciscan Square is operated by an outside manager that includes individuals with experience in the Marriott hotel system.

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. Shindler moved and Mr. Wells seconded the motion that Resolution No. 2016-15 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: Bennett; Carter; Martin; Needles; Shindler; Wells

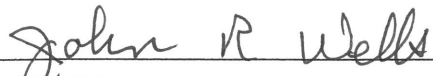
Nay: None

The Chair declared the motion passed and Resolution No. 2016-15 adopted.

Resolution No. 2016-15 is as follows:

**CALL OF NEXT MEETING AND ADJOURNMENT**

It is now expected that the Commission will next meet on December 14, 2016 in Columbus, if necessary, or upon the call of the Chair. On a motion duly made and seconded, the meeting was adjourned.

  
Secretary