

**OHIO HIGHER EDUCATIONAL FACILITY COMMISSION**  
**MINUTES OF THE MEETING OF THE COMMISSION**

**October 20, 2021**

The Ohio Higher Educational Facility Commission (the "Commission") met on Wednesday, October 20, 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; Frederick Church, Vice Chair; John Adams; Mike Gonsiorowski; James Shindler and Susan Tate. Absent: John Martin. 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; Richard Helm of Thompson Hine; and representatives of the institutions appearing before the Commission.

The meeting was called to order by the Chair. Upon call of the roll, the Vice Chair as Acting 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 September 22, 2021 were sent to each member prior to this meeting. Upon a motion by Ms. Tate that was seconded by Mr. Gonsiorowski, all Commission members present approved the minutes of that meeting by the individual vote of each, except Mr. Shindler who abstained.

**WITTENBERG UNIVERSITY**

The Chair next called on Michael Frandsen, President of Wittenberg University. Mr. Frandsen was joined by Rob Young, Vice President for Finance and Administration. Mr. Frandsen confirmed that the University continues to move forward with the proposed refinancing of its 2016 bonds. The financing will extend amortization and provide cash flow relief. Wells Fargo is serving as underwriter and the transaction has received approval from the University Board. In response to a question from Mr. Gonsiorowski, Mr. Frandsen confirmed that negative cash flows were a reason for the transaction which the University hopes to close before a scheduled December 1 debt service payment.

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. Adams moved and Ms. Tate seconded the motion that Resolution No. 2021-16 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; Needles; Shindler; Tate

Nay: None

The Vice Chair as Acting Secretary declared the motion passed and Resolution No. 2021-16 adopted.

Resolution No. 2021-16 is as follows:

## **OTTERBEIN HOMES**

The Chair next called on J. Christopher Green, Chief Financial Officer, to update the Commission regarding the financing request of Otterbein Homes. He was joined by counsel to Otterbein Homes, Jason George. Mr. Green confirmed that the Kendal at Granville transaction was moving along well. Otterbein Homes also is seeking to refinance its 2013A Healthcare Facilities Bonds. There will be two series of bonds. The bonds for the refinance of the 2013A bonds will be forward delivery bonds to be issued in 2023. The two series will be sold this year to lock-in current low rates. B.C. Ziegler and Company is the underwriter selected by Otterbein Homes.

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. Shindler seconded the motion that Resolution No. 2021-17 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; Needles; Shindler; Tate

Nay: None

The Vice Chair as Acting Secretary declared the motion passed and Resolution No. 2021-17 adopted.

Resolution No. 2021-17 is as follows:

## CASE WESTERN RESERVE UNIVERSITY

The Chair next called on Mike Lee, Treasurer, to speak to the Commission regarding the financing request of Case Western Reserve University. He was joined by counsel to the University, Richard Helm of Thompson Hine. Mr. Lee noted that the University is seeking approval for the refinance of its Series 2019A Bonds. With the pandemic, the University currently has no new projects to be financed. The University has received a record number of applications. Average test scores are up, but the impact of those are harder to interpret as standardized tests no longer are required as part of the application process. The University has been successful in fundraising, with nearly 2,000 new alumni donors. The University's new President started this past July. University enrollment is holding-up well, including 120 spring transfer students, and it continues to work on managing its discount rate. The percent of Ohio students has declined, but the number of Ohio students should increase as a result of overall enrollment size. The University implemented expense reduction measures, some being temporary. These included payroll and benefit reductions to manage the budget as a result of the pandemic and its impact on University finances. The plan of finance contemplates two series of bonds. One series of bonds will have fixed rates and the other will be floating rate notes. Some of the University's long-term debt is hedged by interest rate swaps.

In response to questions from Mr. Church and Mr. Gonsiorowski, Mr. Lee noted that the variable rate portion of the financing will use the SIFMA index as LIBOR no longer will be available. This will get the University to nearly the same place in terms of interest rates. Approximately 15% of the University's debt is variable rate debt. University policy limits the amount of variable rate debt to 25% of all debt. In response to questions from Mr. Adams and Mr. Shindler, Mr. Lee noted that there will be no new swaps in connection with the proposed bonds. Underrepresented students do meet University admissions criteria. In response to questions from Mr. Needles and Ms. Tate, Mr. Lee confirmed the University's historic first-year enrollment levels. New housing facilities are contemplated, but the University is still developing plans, including in respect of how the facilities will be financed. There was some faculty displeasure with salary reductions. In response to further questions from Mr. Needles and Mr. Gonsiorowski, Mr. Lee noted that the University expects ratings in the AA category from Moody's and S&P. AAU stands for the Association of American Universities. It is an organization of research institutions, including the University. Mr. Church noted that Ohio State University was a member too.

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. Shindler seconded the motion that Resolution No. 2021-18 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; Needles; Shindler; Tate

Nay: None

The Vice Chair as Acting Secretary declared the motion passed and Resolution No. 2021-18 adopted.

Resolution No. 2021-18 is as follows:

**OTTERBEIN UNIVERSITY**

The Chair next called Susan Bolt, Vice President for Business Affairs, to speak to the Commission regarding Otterbein University’s financing request. The University is seeking to refinance its outstanding bonds in order to achieve a more favorable amortization structure and to achieve more favorable financing covenants. The restructuring will also increase opportunities for future financings. JPMorgan has been selected as underwriter by the University.

In response to questions from Ms. Tate and Mr. Gonsiorowski, Ms. Bolt noted that the holders of privately placed bonds to be refinanced included Huntington and BMO. The University was near enrollment goals prior to the pandemic, though there has been a decline as a result of COVID. The University also was the victim of a cyber-attack in spring of 2020. The University has been following County health measures in response to COVID, including remote instruction and staggered campus arrivals. Enrollment has improved this year. The University has worked with an outside consultant in response to the cyber-attack and to improve security measures. In response to questions from Mr. Needles, Ms. Tate and Mr. Adams, Ms. Bolt confirmed that there was no data loss or exfiltration. The new money portion of the financing is for campus energy conservation projects.

Mr. Burlingame stated that the resolution approves the Preliminary Agreement with Otterbein University. That agreement and related resolution preliminarily approve the financing transaction.

Ms. Tate moved and Mr. Adams seconded the motion that Resolution No. 2021-19 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; Needles; Shindler; Tate

Nay: None

The Vice Chair as Acting Secretary declared the motion passed and Resolution No. 2021-19 adopted.

Resolution No. 2021-19 is as follows:

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

Commission members discussed remote meeting and authority to have them. Under current law that authority does not exist, but the Commission would like to pursue that authority. Mr. Needles asked Mr. Christensen and Mr. Burlingame to investigate possibilities.

It is now expected that the Commission will next meet on November 15, 2021, if necessary, or upon the call of the Chair. On a motion duly made and seconded, the meeting was adjourned.

  
Secretary

