

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

**April 20, 2022**

The Ohio Higher Educational Facility Commission (the "Commission") met on Wednesday, April 20, 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; and representatives of the institutions 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 record should also show that this meeting was held and conducted in-person and by means of teleconference as permitted by Ohio House Bill 51, signed into law on February 17, 2022. All appropriate notifications and access information have been given to the public and media as required by said House Bill. Mr. Shindler, Mr. Martin and Mr. Church participated in the meeting by telephone.

The Chair noted that the minutes of the Commission meeting of March 16, 2022 were sent to each member prior to this meeting. Upon a motion by Mr. Gonsiorowski that was seconded by Mr. Adams, all Commission members by individual roll call vote approved the minutes of that meeting.

**ASHTABULA COUNTY MEDICAL CENTER**

The Chair next called on Michael Habowski, President, and Don Kepner, Chief Financial Officer, to update the Commission members regarding Ashtabula County Medical Center's financing request. Mr. Habowski noted that hospital financials and volumes were tracking well and that March performance exceeded budget. Fitch has approved a rating of BBB+. The project and financing have received Board approval.

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 Ms. Tate seconded the motion that Resolution No. 2022-07 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. 2022-07 adopted.

Resolution No. 2022-07 is as follows:

## **THE CLEVELAND INSTITUTE OF MUSIC**

The Chair next called on Eric Bower, Senior Vice President, to update the Commission regarding The Cleveland Institute of Music's financing request. Mr. Bower noted that there is a signed purchase agreement for the acquisition of the student housing facility to be financed. Planning for the Kulas Hall improvements is on schedule. Brian Regueiro from Huntington Securities confirmed that the bonds will be traditional fixed rate bonds.

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 Mr. Gonsiorowski seconded the motion that Resolution No. 2022-08 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. 2022-08 adopted.

Resolution No. 2022-08 is as follows:

## UNIVERSITY OF DAYTON

The Chair next called upon Bo Sawyer, Assistant Vice President and Treasurer, to speak to the Commission regarding University of Dayton's financing request. Mr. Sawyer was joined by Ann Garcia, Assistant Treasurer and Tax Manager. Mr. Sawyer thanked the Commission members, noting that the University is a top-tier catholic institution providing undergraduate and graduate level studies. It's the largest private institution of higher education in the State and participates in NCAA Division I athletics. The University performs an increasing amount of research, including for the Department of Defense. It has approximately 3,200 full time employees. In connection with the pandemic, the University reduced spending on capital projects. It currently is rated A2 and A+ by Moody's and S&P, respectively. University revenue had grown 45% in the eight years prior to COVID. There was a decline during the pandemic due to decreased student housing and dining revenue, and increased financial aid. Fiscal year 2022 should see an increase to pre-covid levels. Investments have done well, with the endowment valued at over \$800 million. University liquidity remains strong, with over \$140 million in cash and cash equivalents at the end of March. Fall enrollment was over 11 thousand, with a near-record first-year class and approximately 20% of students from minority and underrepresented communities. The University has an 88% retention rate and an 80% five-year graduation rate. The University has seen a 12% increase in graduate level enrollment. The University has engaged Wells Fargo and Loop Capital Markets as underwriters.

Mr. Sawyer continued by noting that the proposed bonds would be to refund prior 2013 and 2016 bonds and to finance new projects. The University hopes for net present value savings of \$4 to \$5 million. The 2016 Bonds were issued as a private placement and the refunding would remove renewal risk with the bank bondholder. New projects include a new Center for the Arts that was delayed as a result of the pandemic. It will include theater and broadcast facilities, and Lead certification. There also will be renovation of high density student housing, as well as improvements to athletic and administrative facilities. The bonds are expected to be issued in two series, with the first series to be sold in June and the second in August/September. Mr. Sawyer then inquired as to whether there were any questions.

In response to questions from Ms. Tate, Mr. Sawyer confirmed that University measures in response to the pandemic included retirement plan suspension, some staff lay-offs, executive pay reduction, travel suspension and three-to-six month furloughs. There will be a swap terminated in connection with the refunding, but costs will be paid by the University and not out of bond proceeds. In response to questions from Mr. Adams and Mr. Needles, Mr. Sawyer stated that the refunding is not designed to change existing amortization. The University does not have a formal debt policy, but it does monitor certain metrics in evaluating debt. The 2013 bond refinance is for savings. The 2016 refinancing is to address renewal risk and to address the transition away from LIBOR. Ratings are expected to hold at current levels, but the University has not yet met with the rating agencies in connection with the current financing. A significant portion of the student body receives some form of financial aid. Graduate enrollment increase is in part due to increased international enrollment. In response to a question from Mr. Gonsiorowski, the 2016 bonds considered for refunding may not be part of the transaction depending on market conditions. There is another series of fixed rate 2016 directly placed bonds that the University is seeking to amend so that the current fixed rate continues to maturity.

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

Ms. Tate moved and Mr. Shindler seconded the motion that Resolution No. 2022-09 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. 2022-09 adopted.

Resolution No. 2022-09 is as follows:

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

Capital University: Mr. Burlingame noted that the resolution circulated to Commission members authorizes certain amendments in connection with Capital University's 2015 bonds issued through the Commission. The amendments provide for a new interest rate period with the bondholder and provide for a transition away from LIBOR.

Ms. Tate moved and Mr. Shindler seconded the motion that Resolution No. 2022-10 be adopted.

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

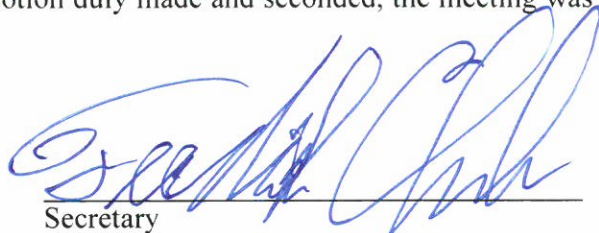
Aye: Adams; Church; Gonsiorowski; Martin; Needles; Shindler; Tate

Nay: None

The Secretary declared the motion passed and Resolution No. 2022-10 adopted.

Resolution No. 2022-10 is as follows:

Next meeting: It is now expected that the Commission will next meet on May 18, 2022, if necessary, or upon the call of the Chair. On a motion duly made and seconded, the meeting was adjourned.



Secretary