

## OHIO HIGHER EDUCATIONAL FACILITY COMMISSION

### MINUTES OF THE MEETING OF THE COMMISSION

July 27, 2022

The Ohio Higher Educational Facility Commission (the "Commission") met on Wednesday, July 27, 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 Chair noted that the minutes of the Commission meeting of May 18, 2022 were sent to each member prior to this meeting. Upon a motion by Mr. Gonsiorowski that was seconded by Ms. Tate, all Commission members approved the minutes of that meeting.

#### **CAPITAL UNIVERSITY**

The Chair next called on William E. Mea, Vice President for Business & Finance, to speak to the Commission members regarding Capital University's financing request. Mr. Mea thanked the Commission members. The proposed financing is for new projects and refinancing of 2013 and 2015 Bonds issued by the Commission. The financing will include an interest only period in the early years of the bond issue to provide the University budget flexibility. The University had a large freshman class in fall of 2019, but later classes were smaller during the pandemic. New projects include academic and student residential facilities, including HVAC, chiller and roof improvements. A rating in the BBB category from S&P is expected with a bond sale scheduled for September. Mr. Mea then inquired as to whether there were any questions.

In response to questions from Mr. Adams and Mr. Needles, Mr. Mea noted that one series of the refinanced bonds bears interest at a fixed rate while the other is variable. There was a swap, but it terminated in accordance with its terms. The University has total debt of approximately \$25 million. Almost all of that currently is held by PNC, with other small amounts with the City of Bexley and the Lutheran Seminary. Pre-Covid enrollment showed strong freshman classes. Graduate enrollment has been mostly flat, though graduate business enrollment has been down and graduate education enrollment has been up. Law school enrollment is up. Night program

enrollment for the law school has been holding-up. The University has sold some residential properties and put the sale proceeds back into University facilities. Some bond proceeds will go to law school improvements, including stairs.

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

Mr. Adams moved and Mr. Gonsiorowski seconded the motion that Resolution No. 2022-13 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: Adams; Church; Gonsiorowski; Martin; Needles; Shindler; Tate

Nay: None

The Secretary declared the motion passed and Resolution No. 2022-13 adopted.

Resolution No. 2022-13 is as follows:

## **BALDWIN WALLACE UNIVERSITY**

The Chair next called on William M. Reniff, Chief Financial Officer, to speak to the Commission members regarding Baldwin Wallace University's financing request. The proposed bond issue will finance needed improvements to student residence townhomes that currently are off-line. Improvements to the 100-bed facility will include HVAC and bathroom improvements. The facility will provide apartment style housing for graduate students. It is anticipated that rental rates charged to the students will cover debt service on the bonds. The bonds will be issued in a capital markets transaction with a late September or early October closing. Work on the project will start in early 2023 with expected opening in the following fall. The University has a new vice president for student life that has been with Cleveland State and Kent State prior to joining the University. The University has 14 residence halls with approximately 1,500 beds. Recent projects include the improvement of North Hall utilizing historic tax credits. The Front Street dorm is doing well, with student residences on the top floors and retail space on the ground floor.

During the pandemic the University operated with a mix of virtual and in-person instruction. Government funds were used to meet student financial needs and for technology. Enrollment has remained solid. The fall 2021 freshman class was 727. This was an improvement from the prior year. Graduate education and business saw some decline, though business enrollment has improved. S&P recently affirmed the University's A- rating. Students are required to live in University housing for two years. New University programs include digital marketing, nursing and E-sports. Mr. Reniff then inquired as to whether there were any questions.

In response to questions from Ms. Tate, Mr. Gonsiorowski and Mr. Needles, Mr. Reniff noted that the last use of the townhome facilities was for quarantine purposes during the pandemic. The University has used historic tax credits for several projects. They are complex but provide significant financial benefits to the University. The University is considering a three-year residence requirement to improve campus life and the student experience. The University does own some houses, but those are typically used by faculty. There may be need for further student housing given capacity limits. One possibility is to build a new building on the site of a building that currently is not in use. 2021 enrollment included 40 nursing students and increased athletic related enrollment, including the swim team. In response to a question from Mr. Martin. Mr. Reniff noted that the University historically has not had a significant international student population, though it does have a connection to Brazil that attracts students from that country.

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

Mr. Shindler moved and Ms. Tate seconded the motion that Resolution No. 2022-14 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: Adams; Church; Gonsiorowski; Martin; Needles; Shindler; Tate

Nay: None

The Secretary declared the motion passed and Resolution No. 2022-14 adopted.

Resolution No. 2022-14 is as follows:

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

Mr. Christensen noted the review of the Commission website and certain Commission procedures and updating the same. The updated OHEFC Administrator duties for Revenue, Expenditures and Reconciliation Procedures were distributed to Commission members. Also, the Program Manager provided and discussed the annual OAKS report and HEF Revenue and Expenses Summary for the FY21-FY22 biennium. The members discussed and determined no formal action is needed.

Next meeting: After discussion and approval by the members, it is now expected that the Commission will next meet on August 17, 2022, if necessary, or upon the call of the Chair. On a motion duly made and seconded, the meeting was adjourned.

  
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Secretary

