

OHIO HIGHER EDUCATIONAL FACILITY COMMISSION

MINUTES OF THE MEETING OF THE COMMISSION

September 21, 2023

The Ohio Higher Educational Facility Commission (the “Commission”) met on Thursday, September 21, 2023, 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; John Martin, Secretary; James Shindler; Susan Tate; Mike Gonsiorowski; and John Adams. Absent: Frederick Church, Vice Chair. Also present were: Kevin Holtsberry 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 August 16, 2023 were sent to each member prior to this meeting. Upon a motion by Mr. Gonsiorowski that was seconded by Mr. Shindler, the Commission members present unanimously approved those minutes.

THE CLEVELAND CLINIC FOUNDATION

The Chair next called on Susan Nobilio, Executive Director, Debt Management, to speak to the Commission members regarding Cleveland Clinic Health System’s financing request for new projects through issuance of revenue bonds. The health system received preliminary approval at the Commission’s August 16, 2023 meeting. Ms. Nobilio, thanked the Commission members, noting the health system’s second quarter results. The health system’s operating margin still is not at pre-pandemic levels when it was in the 3% range. As noted at the prior meeting, the financing is for assorted health system projects, including at the Cole Eye Institute and for neurology facilities. The health system spends approximately \$1 billion on capital projects annually. The bonds will be purchased by Bank of America. It’s expected that they will be refinanced as early as the 1st half of 2024.

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.

Ms. Tate moved and Mr. Adams seconded the motion that Resolution No. 2023-12 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: Adams; Gonsiorowski; Martin; Needles; Shindler; Tate

Nay: None

The Secretary declared the motion passed and Resolution No. 2023-12 adopted.

Resolution No. 2023-12 is as follows:

OHIO WESLEYAN

The Chair next called on Maura S. Donahue, Vice President for Finance and Administration, and Robert Oehler, Senior Director of Facilities Management, to speak to the Commission members regarding Ohio Wesleyan's financing request. Ms. Donahue thanked the Commission members. The University is seeking to improve campus utility facilities, including its steam plant. Older boilers will be replaced, and some buildings will be removed from the University system and tied into the City system to improve reliability and provide savings.

In response to a question from Mr. Needles, Ms. Donahue confirmed that Matt vanderBerg is the new University President. Currently, he is undertaking a University listening tour. This will be followed by a strategic planning process. Mr. Shinder commended the new President's listening tour. Mr. Oehler commented that the President had shadowed members of the University facilities team to better understand University needs. In response to further questions from Mr. Needles, Ms. Donahue noted that the University has not been greatly impacted by issues within the Methodist Church. There are two Bishops on the Board. There is one library employee that assists with Methodist Church archive materials. The future of Beeghly library is being evaluated. Needs of libraries have evolved with technology, and future library spaces may include gathering spaces and enhanced technology facilities. The University is working with a consultant in respect of its student housing facilities, including the needs of certain existing facilities and the development of future facilities, such as apartment style student housing. Enrollment is stable. Last fall there was an incoming class of 483. This year's incoming class is 448 against a goal of 450. The University has seen improved retention as a result of focused University efforts. Freshman to Sophomore retention rates are over 80%. The University is focused on recruiting in Delaware County and in central Ohio. There is a full time admission staff person dedicated to international students.

In response to a question from Mr. Gonsiorowski, Ms. Donahue confirmed a portion of the bonds would refinance a loan used to improve University utility and lighting facilities. Blue Rose Capital Advisors is the University's financial advisor. The University is currently in an RFP process to select a bank to purchase the bonds.

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

Mr. Gonsiorowski moved and Mr. Shindler seconded the motion that Resolution No. 2023-13 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; Gonsiorowski; Martin; Needles; Shindler; Tate

Nay: None

The Secretary declared the motion passed and Resolution No. 2023-13 adopted.

Resolution No. 2023-13 is as follows:

OTHER BUSINESS AND CALL OF NEXT MEETING AND ADJOURNMENT

Mr. Needles took time to thank Jim Shindler for his years of thoughtful and dedicated service the Commission and those that come before it. This is the last meeting for Mr. Shindler, who will be resigning. Mr. Needles noted that there are three persons being evaluated for possible appointment to the commission.

After discussion among the Members, it is now expected that the Commission will next meet on October 18, 2023, if necessary, or upon the call of the Chair. On a motion duly made and seconded, the meeting was adjourned.

Secretary