

OHIO HIGHER EDUCATIONAL FACILITY COMMISSION

MINUTES OF THE MEETING OF THE COMMISSION

July 16, 2025

The Ohio Higher Educational Facility Commission (the "Commission") met on Wednesday, July 16, 2025, at 11:00 a.m. at 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; Michael Gonsiorowski; John Adams; John Rozic; Mary Grace Pattison and William Elliott. 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; Jeff Fogel, Assistant General Counsel, Ohio Department of Higher Education; 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 welcomed Mary Grace Pattison to the Commission.

The Chair noted that the minutes of the Commission meeting of February 19, 2025 were sent to each member prior to this meeting. Upon a motion by Mr. Rozic that was seconded by Mr. Adams, all Commission members present approved those minutes.

THE COLLEGE OF WOOSTER

The Chair next called upon David Jones, Vice President for Finance and Business, to update the Commission members regarding The College of Wooster's financing request. Mr. Jones thanked the Commission Members. Prior to joining the College, Mr. Jones was the Chief Financial Officer of Honey Baked Ham and also held a finance position with a fire truck manufacturer. He is a graduate of the College. The College is seeking to obtain long-term financing for improvements to Douglass and Compton student residence halls. The College is working to address enrollment challenges, with the projected fall 2025 freshman class being below expectations. There has been some "melt" of incoming students, as well as a decline in international students. Due to legal and political uncertainties, the College encouraged international students to remain on campus this summer. The College has retained a new Vice President for Enrollment. The College is assessing how it markets itself, particularly to parents. The College is experiencing the same demographic challenges, including the decline of high school graduates, experienced by others. A high percentage of graduates continue on to graduate school. A majority of the incoming class is expected to be male. Historically, a majority of students have been female. College initiatives include increased emphasis on health and wellness facilities and growing the endowment. Relatedly, the College is working to address an operating

deficit and right-sizing staffing levels. The College also is evaluating how it can more efficiently provide dining services. The College is rated A1 by Moody's, but a downgrade to A2 or A3 seems likely.

Mr. Jones confirmed that bond proceeds will be used for residence hall improvements. Douglas Hall is an old building that was in need of plumbing and other improvements. Deconstruction work for Compton Hall started two months ago. Work includes general improvements to both buildings and creating additional capacity. The College Board has good financial experience and there's a new Chair and Vice Chair. The College is evaluating its real estate holdings and its strategic plan. Mr. Jones then inquired as to whether there were any questions.

In response to questions from Ms. Pattison and Mr. Adams, Mr. Jones noted that the College has moved out of the quiet phase of its campaign. In respect of student housing facilities, the College wants to move students that live in off campus houses to on campus facilities. In response to questions from Mr. Martin and Mr. Gonsiorowski, Mr. Jones noted that student retention has been declining over the last fifteen years. Improvements to housing facilities can help with that. Approximately eleven percent of admitted students enroll. The College is looking to increase applications and recruit in other areas of the Country where it has not been active. Georgia is an example. In response to questions from Mr. Needles and Mr. Elliott, Mr. Jones noted that the College is working to determine the reasons for the increased percentage of incoming male students. Migration patterns and the politic environment are among the possibilities. Competitors are facing similar challenges. Students at institutions are being admitted off of wait lists that historically may not have. The College is evaluating its discounting practices and how aid is distributed among students of varying economic means. In response to further questions from Mr. Rozic and Mr. Needles, Mr. Jones noted that the College has approximately 2,500 students and 200 faculty. The student to faculty ratio is ten to one. Break-even for the College is closer to fifteen or sixteen to one. The College has developed a more fulsome process to fill open positions. A high degree of faculty are tenured or on tenure track. The Denver Broncos owner is an emeritus member of the Board and has assisted with College recruiting in Denver. The College also is recruiting in Chicago.

The project received preliminary approval in 2024 and proceeds also will be used to refund interim bonds issued to finance the project. 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. Burlingame noted that the agenda includes the public hearing for the proposed financing for the College as required by federal tax rules. Notice of the public hearing was posted in accordance with those rules. Mr. Holtsberry noted that the Commission did not receive questions or comments in the mail or by email prior to the hearing. There being no further questions or comments, the hearing was closed.

Mr. Adams moved and Mr. Elliott seconded the motion that Resolution No. 2025-04 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; Elliott; Gonsiorowski; Martin; Pattison; Needles; Rozic

Nay: None

The Secretary declared the motion passed and Resolution No. 2025-04 adopted.

Resolution No. 2025-04 is as follows:

UNIVERSITY HOSPITALS HEALTH SYSTEM

The Chair next called upon Tricia Bires, Vice President, Treasury, to discuss University Hospitals Health System's financing request. The Health System is seeking preliminary approval for new projects and refinancings. Ms. Bires noted that the most of the proposed bonds will be for the refinancing of existing bonds, with approximately \$85 million for various capital projects at its campuses. There has been a pent up need for renovations. The plan of finance may include the refinancing of both privately placed and underwritten bonds. The Health System's 2016A Bonds are among the candidates for refunding. They are subject to redemption starting in January 2026. The refinancing purposes are for a combination of savings, improving cash flow and leveling out debt service. Ms. Bires then inquired as to whether there were any questions.

In response to questions from Mr. Needles, Ms. Bires noted that Brad Bond was promoted to CFO and that she has assumed his former position. The Health System has rolled out its Epic records system in its twelve hospitals and worked through issues with its implementation. It has resulted in an approximate \$160 million cash improvement for the Health System and better claims experience. In 2024, the Health System sold its outpatient labs resulting in approximately \$183 million in cash flow. The Health System still has capacity to perform in-house lab work. The Health System was downgraded to A3 in May by Moody's. The Health System goal is to get into the black in the next two to three years. It has established a revenue and expense cabinet to address budget matters and identify opportunities for increased revenues and savings. Physicians have been engaged in the process. Areas of emphasis include more efficient use of medical supplies and improved coding. The Health System experienced an approximately \$174 million loss in 2024. A smaller loss is expected for 2025. In response to questions from Mr. Martin and Mr. Rozic, Ms. Bires noted that, while the issue remained, staffing issues for nurses are much improved. The Health System is using approximately \$30 million less in contract labor that it had two years ago and it utilizes an agency within the Health System for nurses who contract only with the Health System. The Health System actively works with high schools and colleges in its recruiting efforts. There were many earlier retirements during the pandemic. Wage pressures and a high level of competition for nurses have been an issue. Normal levels of contract labor are in the \$50 to \$80 million range. Operating losses are not sustainable indefinitely. The Health System has not touched its endowment and is focused on expense efficiencies and revenue opportunities. All services are reviewed with a recognition of the need for decreased reliance on government funds. The Health System expects to return in September for final approval.

Mr. Burlingame stated that the resolution approves the Preliminary Agreement with the Health System. That agreement and related resolution preliminarily approve the project and the financing transaction and are in their usual form.

Mr. Gonsiorowski moved and Mr. Rozic seconded the motion that Resolution No. 2025-05 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; Elliott; Gonsiorowski; Martin; Needles; Pattison; Rozic

Nay: None

The Secretary declared the motion passed and Resolution No. 2025-05 adopted.

Resolution No. 2025-05 is as follows:

OTHER BUSINESS AND CALL OF NEXT MEETING AND ADJOURNMENT

Virtual Meetings

Jeffrey Fogel, in-house counsel at the Ohio Department of Higher Education, discussed recently enacted virtual meeting legislation. The Commission members discuss the same and Mr. Fogel noted that state agencies to date have taken differing approaches to this. The Commission members will continue to consider the need for virtual meetings. Mr. Fogel stated that he would prepare a sample policy on the subject for Commission members to review.

Elections

Historically, the Chancellor's designee has served as Vice Chair of the Commission. Mr. Gonsiorowski moved and Mr. Adams seconded that Mr. Church be elected and continue as Vice Chair of the Commission (to be known as Resolution 2025-06).

There being no further discussion, the Chair called for the roll and, pursuant to the roll call, the following votes were cast to elect Frederick Church to continue as Vice Chair.

Aye: Adams; Elliott; Gonsiorowski; Martin; Needles; Pattison; Rozic

Nay: None

Abstain: Church

The Chair declared the motion passed and Resolution No. 2025-06 adopted.

Following Mr. Church's election to continue as Vice Chair, the Commission confirmed Mr. Martin's continued service as Secretary. Mr. Rozic moved and Mr. Elliott seconded that John Martin be re-elected to continue as Secretary of the Commission (to be known as Resolution 2025-07).

There being no further discussion, the Chair called for the roll and, pursuant to the roll call, the following votes were cast to elect John Martin to continue as Secretary.

Aye: Adams; Church; Elliott; Gonsiorowski; Needles; Pattison; Rozic

Nay: None

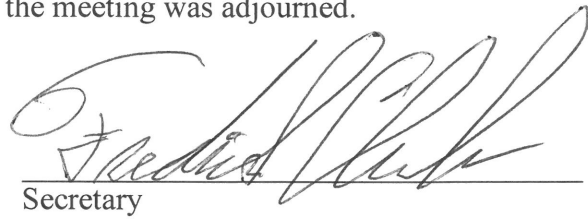
Abstain: Martin

The Chair declared the motion passed and Resolution No. 2025-07 adopted.

Other

The Notre Dame College lawsuits remain ongoing. The Commission has not been named as a party. It is now expected that the Commission will next meet on August 20, 2025, if necessary,

or upon the call of the Chair. The September meeting date may be September 10 but will be confirmed. On a motion duly made and seconded, the meeting was adjourned.



Secretary

