OHIO HIGHER EDUCATIONAL FACILITY COMMISSION

MINUTES OF THE MEETING OF THE COMMISSION

September 10, 2025

The Ohio Higher Educational Facility Commission (the "Commission") met on Wednesday, September 10, 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; Michael Gonsiorowski; John Adams; John Rozic; and Mary Grace Pattison. Absent: John Martin; and William Elliott. Also present were: Kevin Holtsberry and Kelly Weir of the Ohio Department of Higher Education; Alexander G. Burlingame of Squire Patton Boggs (US) LLP, Bond Counsel to the Commission; and a representative of the institution appearing before the Commission.

Frederick Church served as Acting Secretary for the meeting. The meeting was called to order by the Chair. Upon call of the roll, the 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 July 16, 2025 were sent to each member prior to this meeting. Upon a motion by Mr. Adams that was seconded by Mr. Gonsiorowski, all Commission members present approved those minutes.

UNIVERSITY HOSPITALS HEALTH SYSTEM

The Chair next called upon Tricia Bires, Vice President, Treasury, to update the Commission in respect of University Hospitals Health System's financing request. The Health System is seeking final approval for new projects and refinancings. Ms. Bires confirmed that approximately $85 million of bond proceeds will be applied toward Health System projects and that approximately $200 million will be for refinancing. The proposed bonds will include a mix of fixed and variable rate debt. The portion of bond proceeds for projects include amounts to reimburse the Health System for costs it previously paid. Projects are located at assorted facilities within the Health System, including at its Tri-Point facility. The Health System has experienced operating losses and is working both to improve revenues and contain expenses. The Health System is ahead of budget this year and hopes to have a positive operating margin next year. Days cash on hand for the Health System has improved, as have discharges and inpatient surgeries. Ms. Bires then inquired as to whether there were any questions.

In response to questions from Mr. Adams and Mr. Gonsiorowski, Ms. Bires confirmed that there are no swaps on variable rate debt being refunded. Those bonds include variable rate bonds issued in private placements to single bondholders. The Health System has met with rating agencies and is hopeful to maintain current ratings, possibly with an outlook change. In response to a question from Mr. Rozic, Ms. Bires noted that cancer treatment facilities are in the planning and engineering phase and should be completed in late 2026 or early 2027. The Health System is looking to expand its cancer treatment facilities east of Cleveland. Projects include improvements on the main Cleveland campus. In response to a question from Mr. Adams in connection with Medicare and Medicaid, Ms. Bired confirmed that the government is a 50/60% payor and that adjustments to payment formulas by the government are a challenge. In response to a question from Mr. Needles, Ms. Bires noted that government reimbursement rates were partly the cause of operating losses, but that the Health System is focus on expense reduction. Improved coding and expense reduction efforts have provided an over $60 million benefit. Ms. Bires also confirmed that the Health System provides a meaningful level of uncompensated care.

The project received preliminary approval at the July meeting and proceeds will be used to refund prior bonds and to finance projects. 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. Adams seconded the motion that Resolution No. 2025-08 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; Needles; Pattison; Rozic

Nay: None

The Secretary declared the motion passed and Resolution No. 2025-08 adopted.

Resolution No. 2025-08 is as follows:

OTHER BUSINESS AND CALL OF NEXT MEETING AND ADJOURNMENT

It is now expected that the Commission will next meet on October 15, 2025, if necessary, or upon the call of the Chair. On a motion duly made and seconded, the meeting was adjourned.

Kelley J. Weir
Secretary