

MINUTES OF CORPORATION MEETING

SEPTEMBER 11, 2014

BIG SKY RESORT

BIG SKY, MONTANA

President Michael Stanard called the meeting to order on Thursday, September 11, 2014, at 9:35 AM MDST.

1. **Roll Call of Members**

Secretary Rebecca Floyd called the roll of the following voting members in attendance as follows:

AZ Health Facilities Authority: X	MT Facility Finance: X
CO Health Facilities Authority: X	NE Educational, Health, & Social Services Finance Authority: X
Escambia Co, FL Health Facilities Authority: X	NH Health & Education Facilities: X
ID Health Facilities Authority: X	NJ Health Care Facilities Financing Authority: X
IL Finance Authority: X	NC Medical Care Commission: X
IA Higher Ed Loan Authority: X	PA Higher Ed Facilities Authority: X
KS Dev Finance Authority: X	RI Health & Ed Building Corp: X
LA Public Facilities Authority: X	SD Health & Ed Facilities Authority: X
Health Ed Authority LA: X	WA Higher Ed Facilities Authority: X
MN Higher Ed Facilities: X	WA Health Care Facilities Authority: X
MO Health & Ed Facilities: X	WI Health & Educational Facilities Authority: X

President Stanard confirmed the quorum, (22 members of 40) and asked if there were any changes or additions to the minutes of the Corporation meeting of March 25, 2014. With no comments, the minutes were unanimously approved.

2. **Advocacy Committee Report**

Mike Stanard reported that discussions are underway with the Kansas Independent College Association about joining NAHEFFA, and the committee has continued to discuss whether to actively pursue new members or to focus on existing membership. The present consensus of the group is that NAHEFFA should work to polish what we have now in lieu of devoting significant resources to recruiting new members.

3. **Conference Committee Report**

Corinne Johnson advised the membership that upcoming conferences are scheduled as follows: April 15-17, 2015, Alexandria, VA; September 16-17, Seattle, WA; spring 2016 Arizona (dates/city TBA).

Corinne noted the Conference Committee is always seeking new members.

4. **Nominations & Governance Committee**

Julie Arvo MacKenzie said the Committee did not have a report, but to please let her know if you are willing to serve on the NAHEFFA Board of Directors, reminding the group that various terms are up again next spring.

5. **Strategic Implementation Committee**

Maribeth Wright reported that at the Committee's meeting in July topics included exploring whether NAHEFFA should actively pursue new membership. The Committee ultimately decided that NAHEFFA should focus on engaging and polishing the existing membership. The Committee determined that NAHEFFA needed to refine its image and improve its branding and marketing strategies to include enhancing the website and featuring a consistent logo and branding themes going forward across various platforms.

The Committee continued to explore the topic of tiered membership pricing, and agreed that no price increases should be implemented at this time, but that the matter would be revisited as necessary.

The Committee recommended to the Board that an investment policy should be developed and implemented.

The Committee reminded the membership that board members of Authorities are eligible to serve on the NAHEFFA Board or committees.

Maribeth concluded her report, noting that this was the first year for the two day conference, and said the Committee would appreciate feedback on the new conference format.

6. **Treasurer's Report**

Don Templeton presented the Treasurer's Report, including a graph of cash and investments, a total of \$427,000 on June 30, 2014. Don reported extraordinary expenses in the amount of approximately \$20,000, including a NAHEFFA payment of \$7500 to Chapman & Cutler for the SEC RG-42 analysis, and reminded the Board that Illinois Finance Authority split the cost, also paying \$7500. He also identified a \$5,000 payment for an employment impact study, and that for FY '15, NAHEFFA was budgeted for a surplus, to include \$4,500 for website improvements. Don noted that as of August, cash was up slightly from year end, for a balance sheet total of \$484,623. He advised that the New Orleans conference generated a profit of \$35,700.

Don proceeded to advise the membership that the Finance Committee did meet to discuss development and implementation of a formal investment policy (the "Policy"). The Committee reviewed a number of policies provided by various Authorities, and ultimately developed a Policy largely based on the Missouri

template. Don explained the Policy permits conservative investments emphasizing safety first, with a goal of maintaining at least 2 times annual expenses, allowing various investments not to exceed applicable FDIC limits. The NAHEFFA Board formally adopted the Policy at its meeting earlier this morning.

Don asked for any comments or questions on the income statement, and none were proffered. President Stanard asked for a motion to accept the Treasurer's Report, and following a motion and second with no discussion, the motion was unanimously approved.

7. Sponsorship Committee

Donna Murr reported that NAHEFFA had collected \$40,125 in sponsorship income so far for FY 2015 which included some revenue from the spring conference as well which got split between fiscal years. She advised that Chapman & Cutler sponsored the welcome reception, and D.A. Davidson paid for the band. She pointed out that the approved FY-15 sponsorship budget amount is \$55,000 and she believes that is attainable, but reminded that the committee is always looking for new sponsors as well as new members.

8. Discussion Items

Dennis Reilly, Wisconsin Health & Educational Facilities Authority reported that Wisconsin negotiated a \$6,000 fee with IHS to perform an economic impact study in Wisconsin to demonstrate the benefits associated with WHEFA's financings. The study provided information about the direct and indirect jobs resulting from the financings, although the data only pertained to construction financings, and did not encompass permanent jobs. They are now working to track both temporary and permanent jobs, in order to report on an annual basis to the legislature the benefits of tax-exempt financing for projects. New Hampshire and Arizona both reported they are having the analysis done as well, and that they also would like to see a permanent employment reflected in the studies going forward.

The concept of a price break should multiple entities want to commission similar studies was discussed as a possibility.

Next, President Stanard asked Nichole Doxey to talk about NAHEFFA's new branding strategies. Nichole discussed the new website and branding ideas, explaining the goal of creating a consistent theme for NAHEFFA across all platforms. She said they are still working on the logo design. She also mentioned that the website would have sections accessible to all users, and sections that would be open to members only.

President Stanard asked if anyone had any additional discussion items for the body, and Steve Fillebrown advised that he will soon be serving on a panel tasked to address ramifications of the Affordable Care Act ("ACA"), and asked if Authorities are seeing particular trends or issues associated with implementation of ACA. Several members reported seeing an increase in mergers and acquisitions among systems they work with, and others indicated they are hearing numerous borrower complaints relating to continuing uncertainties. Donna Murr said they have facilitated one third fewer borrowings over the last year, as hospitals were focusing on issues associated with ACA, and stockpiling cash rather than borrowing for new projects. Mike Stanard reported that, in contrast, MOHEFA has facilitated more new money borrowings than usual.

9. Adjournment

President Stanard asked if there was anything else for the body to discuss, and hearing nothing further, asked for a motion to adjourn the meeting. Donna Murr moved to adjourn, and Michelle Barstad seconded. Hearing no further discussion, the meeting was adjourned at 10:30 AM MDST.