

NATIONAL ASSOCIATION OF
HEALTH & EDUCATIONAL FACILITIES FINANCE AUTHORITIES

MINUTES OF CORPORATION MEETING
March 25, 2014
Hilton Riverside
New Orleans, Louisiana

President Pam Lenane (Illinois Finance Authority) called the meeting to order on Tuesday, March 25, 2014 at 9:30 CST.

1. Roll Call of Members

Secretary Elaine Yungerberg (Minnesota Higher Education Facilities Authority) called the roll of voting members as follows:

Arizona	X	Maryland		North Carolina	
California – Educational Facilities	X	Massachusetts	X	Ohio	X
California – Health Facilities	X	Michigan		Oregon	
Colorado – Education	X	Minnesota	X	Pennsylvania Higher Educ. Facilities	
Colorado – Health	X	Mississippi		Philadelphia-Hospitals & Higher Educ. Facilities	
Connecticut		Missouri	X	Rhode Island	X
Escambia County Florida Health Facilities	X	Montana	X	South Carolina	X
Idaho	X	Nebraska		South Dakota	X
Illinois	X	New Hampshire	X		
Iowa		New Jersey – Educational Facilities		Vermont	X
Kansas	X	New Jersey – Health Care Facilities	X	Washington – Higher Education	X
Louisiana-Public Facilities	X	New Mexico		Washington – Health Care	X
Louisiana-Heath-Educ.	X	New York		West Virginia	
Maine	X				
				Wisconsin	X

2. Approval of Minutes

President Pam Lenane acknowledged that there was a quorum in attendance (26 members present) and asked if there were any changes or additions to the minutes of the Corporation meeting of October 7, 2013. Donna Murr (Washington Health Care Facilities Authority) made a motion to approve the minutes and Michelle Barstad (Montana Facility Finance Authority) seconded the motion. The motion was unanimously approved.

3. Committee Reports

Advocacy

The President asked Chuck Samuels for a report from the Advocacy Committee. Mr. Samuels stated that the last few months have been very busy following the changes in regulations being proposed by the MSRB relating to financial advisors. The agenda for advocacy will stay busy as there are continued threats to limit tax exempt financing as discussions continue in Washington, D.C. on federal tax law revisions.

Audit

The President turned to the Audit Committee for their report, and Dennis Reilly (Wisconsin Health & Educational Facilities Authority), Chair of the Audit Committee, stated that there was nothing to report from the Audit Committee.

Communication and Membership

Moving to the next Committee Report, the President asked Mike Stanard (Missouri Health and Educational Facilities Authority) Chair of the Communications and Membership Committee to report on the activities of his committee. Mr. Stanard reported that there have been two Affiliate Members added in the last year. It was reported to him that many borrowers have other affiliations and are not interested in adding their support to NAHEFFA. The committee has worked very hard in trying to add regular members, but have had limited success. Mr. Stanard stated that the committee has exhausted many ideas and welcomes suggestions on how to add members. There have been attempts at offering discount memberships or free conference registration, but so far none of the incentives have been fruitful.

Education and Programming Conference Committee

The President asked Corrine Johnson (Colorado Health Facilities Authority), Chair of the Conference Committee, for her report. Ms. Johnson started her report with an expression of appreciation to the Authorities in Louisiana. Jacob Johnson (Health Education Authority of Louisiana) and Jim Parks (Louisiana Public Facilities Authority) have been instrumental in the production of the successful 2014 Spring Conference. Ms. Johnson reminded members that the 2014 Fall Conference would be held in Big Sky, Montana hosted by the Montana Facility Finance Authority. She continued her report stating that the 2015 Spring Conference will be held in Alexandria, Virginia, and the 2015 Fall Conference will be held in Seattle, Washington. The Board, at the recent Board Meeting, approved the proposed conference sites of Arizona for the 2016 Spring Conference and Chicago for the 2016 Fall Conference.

Ms. Johnson also reminded attendees to fill out the conference evaluations of this conference and offer suggestions for future conference agenda topics.

Sponsorship Committee

President Lenane called upon Donna Murr (Washington Health Care Facilities Authority), Chair of the Sponsorship Committee, to report on the activities of the committee. Ms. Murr stated that the committee had increased the annual sponsorship fee from \$1,500 to \$1,750, and there was a small loss of sponsorships. The total sponsorship fee income to date is about \$70,000. Ms. Murr requested that each Authority send to her a list of potential sponsors so that they could contact them and possibly get additional sponsors.

Ms. Murr also reported that the committee was looking for a new Chair and would like more volunteers to be on the Sponsorship Committee.

Strategic Implementation Committee

The President noted that the Chair of the Strategic Implementation Committee was not in attendance. There was no report from this committee.

4. Financial Report

Budget FY 2015

The President called upon Don Templeton (South Dakota Health and Educational Facilities Authority), Treasurer, to give the Treasurer's Report. Mr. Templeton pointed the attention of the members to the report that was emailed to members in advance of this meeting, but also displayed on the audio visual screen in front of the room. Mr. Templeton pointed out that the Balance Sheet shows that NAHEFFA has \$433,000 in Total Assets and \$394,000 in Cash and Investments. Page two of the Financial Report shows in graph form that the investments of the Corporation have been on a rapid decline since 2003, when they were at a high point of over \$800,000 to the current level of \$385,000. Page three of the Report shows the detail of investments held by the Corporation. The investments are currently all bank certificates of deposit. Mr. Templeton reported that the Board has discussed creating a new investment policy and using investments that may yield a higher rate of return. Page four of the Report shows the year to date income and expenses. Projected ending cash at June 30, 2014, is \$385,000. Page five shows the membership fee income which is currently \$119,500 received from 40 members. Page six and seven is an accounting of the conference income and expense of conferences held, from 2008 to 2013, showing that NAHEFFA has lost money on many of the conferences held in the past even when sponsorship fee income was added to conference registration fee income.

Mr. Templeton then went on to the proposed Fiscal Year 2015 budget, which had also been distributed to members earlier, including a narrative summary of the three budget scenarios that were presented. Mr. Templeton briefly summarized the scenarios, stating that if income and expenses stay the relatively the same as they have been in the last couple years, NAHEFFA will experience a loss of \$34,000 in FY 2015. The second scenario shows an increase in income by raising the membership dues, but that scenario still leaves a loss of about \$4,500. Both of these scenarios mean that NAHEFFA would continue to dip into retained earnings.

The third scenario shows reduced expenses, especially in the line item for Advocacy. President Lenane then spoke about the discussions that have occurred with Chuck Samuels regarding the contract for lobbying and legal services. Ms. Lenane stated that Mr. Samuels has worked with NAHEFFA for 19 years and has become the face of NAHEFFA in Washington. Since he has been made aware of the budgetary problems facing NAHEFFA, he has agreed to reduce his fee from the budgeted amount of \$147,600 to \$100,000. This amount does not include expenses so an extra \$5,000 was added so that the budget line item will be \$105,000.

There was discussion on future membership dues and a straw vote was requested regarding the number of members present that would accept a dues increase. Informally, about 22 members were silent on accepting a dues increase, while 5 members expressed a negative response on increasing dues. However, given the difficulty in getting sponsorship fees and the potential of increased expenses, the discussion of dues increases is one that will need to resurface in the near future.

The President asked for a motion to approve the FY 2015 budget. Harry Huntley (South Carolina Jobs-Economic Development Authority) made a motion to accept the budget for Fiscal Year 2015 as proposed by the Board, which is Budget Scenario 3. Robert Giroux (Vermont Educational and Health Buildings Financing Agency) seconded and the motion was unanimously approved.

The President expressed gratitude to Chuck Samuels for his gracious offer to reduce his fees.

5. By-Law Revision

The President moved on to the next item on the agenda relating to the changes in the By-Laws of the Corporation. Linda Beaver (Nebraska Educational, Health and Social Services Finance Authority) is the Chair of the Nominating and Governance Committee, but in her absence the President called upon Julie Arvo MacKenzie (Arizona Health Facilities Authority) to outline the changes proposed for the By-Laws. Ms. Arvo MacKenzie outlined the changes as follows:

1. Provisions dealing with meetings – changed to reflect the consensus of the membership responding to the Fall survey as to setting quorum;
2. Election of officers and directors – qualifications changed to remove the requirement of designated issuing type of authorities on the Board;
3. Electronic attendance – to add provisions that allow flexibility in attending and rescheduling meetings;
4. Meeting and Notifications – to provide for a larger window of time in which to hold the Annual Meeting and to reschedule if necessary and to clarify the types of meetings along with the required notice periods;
5. Voting and attendance – allow for electronic attendance for the purpose of quorum and voting; and
6. By-Laws Amendments – added a provision that the By-Laws can be amended at any meeting of the Corporation provided that proper notification is given.

There were no questions or discussion on the proposed changes and the President asked for a motion to accept the changes to the By-Laws. Julie Arvo MacKenzie made a motion to accept the changes to the By-Laws as presented. Michelle Barstad (Montana Facility Finance Authority) seconded and the motion unanimously passed.

7. Election of Officers

President Lenane moved on to the election of officers. The following slate was presented:

PRESIDENT: **Michael J. Stanard**, Executive Director, Missouri Health and Educational Facilities Authority, 15450 South Outer Forty Road, Suite 230, Chesterfield, MO 63017

VICE PRESIDENT: **Donna Murr**, Executive Director, Washington Health Care Facilities Authority, 410 11th Avenue, Suite 201, P. O. Box 40935, Olympia, WA 98504-0935

SECRETARY: **Rebecca Floyd**, Executive Vice President/General Counsel, Kansas Development Finance Authority, 555 South Kansas Avenue, Suite 202, Topeka, Kansas

TREASURER: **Donald A. Templeton**, Executive Director, South Dakota Health and Educational Facilities Authority, 330 South Poplar Avenue, P. O. Box 846, Pierre, South Dakota 57501

The President asked for other nominations, and hearing none, asked for a motion to accept the slate of officers as presented. Robert Giroux (Vermont Educational and Health Buildings Financing Agency) made a motion to accept the slate as presented and Michelle Barstad (Montana Facility Finance Authority) seconded. The motion was unanimously approved.

Nichole Doxey, Operations Director, took this opportunity to present President Pam Lenane with a token of thanks recognizing her efforts and service to NAHEFFA.

8. Adjournment

President Lenane asked if there were any other topics to be discussed and, hearing none, asked for a motion to adjourn. Blaine Bandi (Arizona Health Facilities Authority) made a motion to adjourn, Donna Murr (Washington Health Care Facilities Authority) seconded and the meeting was adjourned at 10:20 AM CST.

Secretary