

MINUTES OF CORPORATION MEETING
SEPTEMBER 30, 2016
WYNDHAM GRAND CHICAGO RIVERFRONT
CHICAGO, ILLINOIS

President Donna Murr called the meeting to order on Friday, September 30, 2016, shortly after 9:00 a.m., CDST.

1. **Roll Call of Members**

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

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| CA Health Facilities Finance Authority | MT Facility Finance: |
| CO Health Facilities Authority | New Hampshire Health & Education Facilities Authority |
| CT Health & Educational Facilities Authority | New Jersey Educational Facilities Authority |
| | Pennsylvania Higher Educational Facilities Authority |
| Escambia Co, FL Health Facilities Authority | South Carolina Jobs-Economic Development Authority |
| | South Dakota Health and Educational Facilities Authority |
| ID Health Facilities Authority | Vermont Educational & Health Buildings Financing Agency |
| IL Finance Authority | |
| IA Higher Education Loan Authority | Washington Health Care Facilities Authority |
| KS Dev Finance Authority | Washington Higher Education Facilities Authority |
| KS Independent College Finance Authority | Wisconsin Health & Educational Facilities Authority |
| LA Public Facilities Authority | |
| Mass Development Finance Authority | |
| Minnesota Higher Ed Facilities Authority | |
| MO Health & Ed Facilities Authority | |

NAHEFFA staff member Nichole Doxey and counsel, Chuck Samuels of Mintz Levin were also in attendance.

Rebecca confirmed the quorum (23 members of 40; not including Arizona) and asked if there were any changes or additions to the minutes of the Corporation meeting held in Scottsdale, Arizona on April 7, 2016. Hearing no comments, Michelle Barstad moved approval of the minutes and Shelley Shannon seconded. The April 7 minutes were unanimously approved.

Donna asked for Committee reports as follows:

2. **Advocacy Committee Report**

Martin Walke with LPFA advised the membership that it is widely understood that Senate Ways and Means has been instructed to roll out a new tax bill in January. He reiterated his message from the April meeting that NAHEFFA should prepare for a significant lobbying initiative, and reminded members that it was his Committee's recommendation as discussed in April, that a voluntary special assessment equal to the annual membership fee amount be requested from each Authority to pay the costs of additional lobbying support.

Martin noted that Chuck Samuels has performed very capably as a lone ranger, but that given the significance of major impending tax reform, Chuck and NAHEFFA need reinforcements. He pointed out that Chuck does a very good job leveraging NAHEFFA's voice with other tax-exempt lobbying groups, including AHA, NABL, NACUBO, GFOA, NAST etc., but that NAHEFFA has certain unique issues that warrant focused emphasis. Martin informed the group that, historically, if major tax legislation is going to succeed it will happen in the first two years of a new presidency.

Martin advised that Alex Hecht with ML Strategies will be making a presentation related to anticipated tax-exempt challenges and the government relations services they offer to address same. Martin said that he and his committee have explored other lobbying and government strategies firms, and found pricing to be exorbitant in contrast to the proposal being discussed with ML Strategies, who through association with Chuck and Mintz Levin have evinced a strong understanding of NAHEFFA's particular issues.

Based on discussions with ML Strategies, Martin is preparing to make a recommendation to the group that the special assessment be implemented for no more than two years, and that NAHEFFA enter into an initial one-year monthly retainer contract, for \$100,000, with a 30-day no penalty termination provision. Martin recommends the contract begin on December 1, explaining, that immediately following elections, Congressional members head to Washington to get settled, and start formulating policy initiatives.

He said his Committee hopes to have the engagement agreement finalized before the election, and would like to schedule a teleconference or webinar on November 15 to present the proposed engagement to the Corporation for a vote. Martin asked members to look for additional information about the proposed call from Nichole.

Audit Committee

Don noted that there is nothing to report at this time, but that the annual audit is underway.

3. **Education & Programming Committee Report**

Corinne Johnson advised the membership that upcoming conferences are set forth in the Program Guide: April 3-5, 2017 in Alexandria, VA, and September 6-8, 2017 in Boise, Idaho. Corinne reminded everyone that the Conference Committee is always seeking new members and welcomes suggestions for speakers and topics. Corinne also thanked Nichole and the Illinois Finance Authority for organizing another excellent conference, noting that it is the host authorities who do much of the work identifying programs, speakers, etc.

4. **Sponsorship Committee**

Shannon Govia reported 2016 sponsorship income of \$61,500 from 32 entities who sponsored the spring and or fall conferences. He said the spring welcome reception brought in \$3057 and the the fall welcome brought \$6,000; additional sponsorship revenue of \$3,000 for the luncheon speaker, and \$500 for the boat tour was received.

5. **Membership Committee**

Mike Stanard said there was nothing much to report at this time, but that they are talking to the Arkansas Development Finance Authority, without much success. He said they are also trying to talk to a Virginia Authority.

He reported that the website is nearly complete, it is online and live, and the new logo is fully incorporated throughout the website.

Nichole said it will fully launch next week. She also said the Newsletter is out, and to please report any changes or updates in the membership directory to her.

In response to a question, Donna confirmed NAHEFFA does plan to reach out to the successor entity of the Arizona Health Facilities Authority.

6. **Nomination and Governance:**

Maribeth Wright said her Committee has no report today, but will be meeting following the conference.

7. **Finance Committee**

Don Templeton presented the Treasurer's Report pointing to the June 30, 2016 numbers which balance, and that cash and investments total \$472,290.13. He noted that most assets are in cash and investments per the investment policy. The financials reveal very few liabilities and approximately \$30,000 of deferred membership fees and pre-paid sponsorship fees. He said that the Corporation finished the year with \$21,698 net income, and that his Committee is budgeting net income of \$3,817 for fiscal year 2017.

Donna said Don believed the bottom line for the fall conference income will be about \$30,000, and that the Committee will be sending out the quarterly financials with a 9/30/16 date.

8. **ML Strategies Presentation**

Chuck Samuels introduced Alexander (Alex) Hecht, Vice President of Government Relations for ML Strategies, LLC., a wholly owned consulting subsidiary of Mintz Levin.

Chuck said he shares Martin's view that tax reform is highly likely in the next two years, that it is also highly likely tax exempt bonds will be touched, and that NAHEFFA would benefit from additional resources at this time. He believes our collaborative relationships are useful, but that we should expect to be making the case for ourselves alone on certain issues.

Alex explained that his group is a bi-partisan, bi-cameral team which works closely with the law firm, and he echoed Chuck's views on the likelihood of tax reform, advising that Ways and Means believes they have the numbers to hit the ground running in January. He said that in the first 100 days every new president dating back to, he believes President Carter, has introduced some tax reform related policy initiative.

Alex discussed his background stating that he has been in D.C. for 15 years, and worked in the Senate as Olympia Snow's Chief of Staff, serving as a general liaison to the business community in areas including health care, taxes and business reform.

Alex briefly discussed possible election implications depending on how the races break out, finishing with a statement of his belief that regardless of the ultimate composition, there will probably likely be an impetus towards tax reform.

Don Templeton asked Alex and Chuck how the firm handles conflict of interest situations. Chuck responded that they hope to work with lots of groups, but do have a strong conflict policy and that the firm would endeavor not to work with any group with interests in conflict to NAHEFFA. He stated they will not be working in parallel with investment bankers.

Donna thanked Chuck and Alex for their presentation.

Donna then announced that Michelle Barstad is retiring at the end of the year, and expressed how much she would be missed by everyone.

Donna asked if anyone had additional business for the Corporation. Hearing no requests, Martin moved adjournment, Michelle seconded, and all voted in favor of adjournment at 10:04 a.m. CDST.