

**MINUTES OF FALL CORPORATION MEETING**

**Friday, October 30, 2020**

**Video Conference**

President Dennis Reilly called the NAHEFFA Fall Corporation meeting to order shortly after 11:00 a.m. CDST, thanked members for joining the meeting and requested that NAHEFFA Secretary Rebecca Floyd call roll.

**1. Roll Call of Members**

Rebecca called roll with the following 23 voting members in attendance:

---

CA Health: X	New Hampshire Health & Ed Facilities: X
CA Education: X	New Jersey Educational Facilities Auth: X
Colorado Health: X	Rhode Island Health & Edu Building Corp: X
CO Educational & Cultural: X	South Carolina Jobs-Economic Develop Auth: X
CT Health & Educational: X	South Dakota Health & Ed Facilities Auth: X
Escambia County Florida: X	Washington Higher Ed Facilities Authority: X
Idaho Health: X	WA Health Care Facilities Authority: X
Illinois Finance: X	WI Health & Educational Facilities Authority: X
Iowa Higher Ed: X	Vermont Ed & Health: X

---

KS Dev Finance Authority: X  
LA Public Facilities Auth: X

---

Minnesota Higher Ed Facilities: X  
MO Health & Ed Facilities: X  
Montana Facility: X

---

Rebecca confirmed the quorum with 23 members present. NAHEFFA advocate Chuck Samuels with Mintz Levin was also on the call

## **II. Approval of April 29, 2020 Minutes:**

Dennis asked if there were any changes or additions to the minutes of the telephonic spring Corporation meeting held as a virtual conference on April 29, 2020. California Ed and California Health advised that they were in attendance, and Secretary Rebecca Floyd said she would make that change to the final April 2020 minutes. Hearing no requests for additional revisions, Barry Fick moved approval of the minutes and John Sager seconded; the minutes were approved without further discussion.

## **Committee Reports**

### **1. Conference**

Dennis thanked Kim and new NAHEFFA Operations Director Sherrie Wise and the Conference Committee for their excellent work putting the fall virtual conference together. Chair Kim Mooers advised the group that Corinne Johnson stepped down from the chair position of the Committee in July and explained that when she volunteered to serve as chair she was overwhelmingly supported as the new Conference Committee chair. She said no one had much experience in building the virtual conference but Sherrie immediately upon her hire took on significant responsibilities. Kim said she and other Committee members are very appreciative of her work. Pivoting to discussion regarding the spring 2021 conference, she advised that there is some thought that maybe the spring conference can be a hybrid of in person and virtual, but it remains to be seen depending on the pandemic.

Dennis stated his belief that for our first virtual conference, we hit it out of the park, and others concurred.

Dennis reminded Members to calendar April 18-20, 2021 as a placeholder for the spring conference, format to be determined.

Barry advised Members to check their email for the fall conference surveys.

### **2. Sponsorship**

Dennis thanked John Sager and Jeannie Phillips for their excellent efforts in keeping sponsorship engaged. John thanked his Committee Members, especially Jeannie whom he characterized as the spark plug along with Danielle. He said you can see the results on page 11 of the financials, noting revenue of \$23,625 which is excellent under the circumstances. He noted the quality of

the sponsors and what a great group of sponsors we have. He believes the sponsors realize the value of being associated with NAHEFFA.

### 3. **Advocacy**

Dennis asked Martin and Chuck to provide an update. Martin noted the MSRB session went very well and shared that Mark Kim as MSRB's new Chief Executive Officer, transitioning from the Chief Operating Officer position, is doing a great job and that NAHEFFA already has developed a strong relationship with MSRB. Martin said Speaker Pelosi has been negotiating with Treasury Head Steve Mnuchin on a new stimulus package that could be sent to the Senate, but that it is anyone's guess what might happen after Tuesday.

NAHEFFA Advocate Chuck Samuels advised that if the election results maintain the status quo he would expect a modest Covid-19 relief bill without bond provisions, and prospects for liberalizing bond provisions would be modest as well. If there is a change in the WH and Senate he believes the environment for bonds, and the provisions we have been advocating such as advance refundings and Direct Pay bonds may come back. He cautioned though that an effort to cap the amount of interest deductibility might again come into play, noting perhaps even if individual and corporate tax rates go up that there may be another attempt to cap the municipal bond tax-exempt deduction at 28 percent.

He expects that the SEC and MSRB in a continuing Republican administration would be relatively restrained on new provisions regarding disclosure that would burden our borrowers, but said in a Democratic administration, there could be some aggressive proposals and additional regulation. Many things just can't be anticipated at this time.

He concluded saying that regardless of the election results and regardless of whether we can do an in-person meeting in D.C., members who are willing should plan to do "fly-ins" whether in-person or virtual to refresh or start developing new relationships.

Dennis observed that higher corporate and individual tax rates would still likely be helpful to the muni bond market.

Martin thanked Chuck for arranging for Aruna Kalyanam, Deputy Chief Tax Counsel and Staff Director for the Subcommittee on Select Revenue Measures, to speak at our conference, saying it is a real bonus to get someone of her stature to speak to the group.

Chuck responded that he is hopeful that maybe following the election we can do some online discussions with some members of Congress.

#### 4. **Communications and Membership**

Dennis asked Bonnie Payette to deliver her report. Bonnie started by saying what a great conference it was, and that she wished Sherrie Wise was attending the meeting saying she was extremely helpful with the newsletter and other activities of her Committee. She thanked John Sager for sending a story on the unique financing Idaho recently facilitated for a coroner's facility and requested Members to please send along news of any interesting or innovative finance transactions they may have been involved in facilitating.

She said if anyone had any new questions they would like to see on the Annual Survey, to please send to her.

#### 5. **Audit**

Dennis as Chair of the Audit Committee noted the Committee had reviewed the draft audit, and only had a minor comment on Note 1 of the footnotes and advised that once again it was a clean audit.

#### 6. **Governance**

Maribeth Wright said the Governance Committee work will begin in earnest after the first of the year to identify new director candidates for the Board and advised that the Committee also reviews the Bylaws annually and will be doing that as well.

Dennis asked Harry Huntley for an update on his retirement. Harry announced that he is retiring today, but will be out only for 30 days, then will resume work on December 1 as Executive Director again. He will assist the Board in searching for a new Executive Director, and that they hope to have a new Executive Director by March or June, but said he plans to stay involved in some capacity for the foreseeable future.

Dennis invited Harry to come to the next in-person conference, and Harry says he hopes the group will meet in Charleston in spring of 2022.

#### **Finance/Treasurer's Report**

Steve Corbin, South Dakota, directed members to page 3 of the balance sheet showing cash and cash equivalents of \$128,768 and Certificates of Deposit of \$333,515. He said the payable lines reflect amounts for Mintz Levin Strategies ("MLS").

On page 4 he identified \$104,000 in membership dues for 2020, and conference income of \$82,960, with expenses of \$175,610. He explained expenses were lower due to cancellation of the spring conference and the reduction in the Operations Director expense reflecting several months of position vacancy. Dennis asked if anyone had questions for Steve on the Audit.

Hearing no questions, Dennis asked Don to walk Members through the Financial Report.

Don directed Members to page 2 of the Report noting that the balance sheet balances with \$526,729.10 of total current assets, and total liabilities and equity. He reported cash and cash equivalents of \$518,585.06 mostly on deposit in CDs, money market funds, checking and savings at First National Bank of South Dakota ("FNBSD").

He advised that moneys on deposit at FNBSD currently exceed FDIC limits, but balances will be dropping shortly following payments to MLS and Operations Director, Sherrie Wise.

Don went on to report net income of \$80,160.00 and net income for this virtual conference of \$34,301 all as of October 21, 2020; he reported \$92,000 in membership dues had been received this year and year to date income of \$129,690.

He noted that yields are so low that investments are not generating significant returns but that we still have a Morgan Stanley CD and First Dakota Bank longer maturing CDs out with somewhat better rates of return.

He remarked that he will be sending dues reminders to Michigan, Mississippi and South Carolina.

He is projecting a net profit for this fall virtual conference and noted \$619 in cash back from the NAHEFFA credit card.

Dennis thanked Steve and Don and their staff for working behind the scenes to keep the financials in good order.

Harry thanked the group for letting him serve as President saying that it has been a great ride, and that he does plan to stay engaged. Dennis thanked Harry for his work on behalf of NAHEFFA.

### **Conference Wrap-up**

Dennis asked Members for their thoughts and reactions to virtual conference. Harry said he thought it went extremely well, noting the strength of the presentations, and relatively few technical difficulties. Others agreed.

Dennis asked if anyone had any additional business for the Corporation meeting; hearing no requests, John Sager moved adjournment and Shannon Govia seconded. Hearing no objections, Dennis adjourned the meeting at 11:42 a.m. CDST.

---

Rebecca E. Floyd  
Secretary