



# Ohio Public Facilities Commission

**Mike DeWine**, Chairman  
Governor  
**Keith Faber**,  
Auditor of State

**Kimberly Murnieks**, Secretary  
Director of Budget and Management  
**Frank LaRose**,  
Secretary of State

**Robert Sprague**, Treasurer  
Treasurer of State  
**Dave Yost**,  
Attorney General

## ***DRAFT: Subject to Review and Approval by the Commission***

### Minutes of October 19, 2021 Meeting

The Ohio Public Facilities Commission held a meeting commencing at 2:00 p.m. on Tuesday, October 19, 2021, in the 35<sup>th</sup> Floor Conference Room, Office of Budget and Management (OBM), James A. Rhodes Office Tower, 30 East Broad Street, Columbus, Ohio, pursuant to notice of meeting given by the Secretary in accordance with Ohio Administrative Code 151-1-01 and the Commission Bylaws.

[Copies of the items marked \* are attached hereto and made a part of these minutes.]

Pursuant to Section 151.02 of the Ohio Revised Code (O.R.C.) and Section 3.2 of the Bylaws, Ms. Herrmann, as Governor DeWine's designee, presided as Chair of the meeting and called the meeting to order.

On behalf of the Secretary, Michael Babin, Assistant Secretary, reported that one new designation had been made. Governor DeWine revoked his previous designation, and then designated in the alternative, Matt Donahue or Rachel Herrmann, to serve as Chair in his absence.

Upon roll call, the Chair declared a quorum to be present. The following members and designees of the members of the Commission, eligible to vote at the meeting, were present during the meeting:

Rachel Herrmann, Chairwoman, Office of the Governor  
Kimberly Murnieks, Secretary, Office of Budget and Management  
Jonathan Azoff, Treasurer, Office of Treasurer of State  
Shawn Busken, Office of the Attorney General  
Tim Keen, Office of the Auditor of State  
Deckard Stanger, Office of Secretary of State

Mr. Babin filed the certificate of compliance\* at request of the Chair with the Commission's rule for notification of meetings to the public and news media.

Ms. Herrmann submitted for discussion minutes of the Commission's June 8, 2021 meeting for approval. There being no discussion, Ms. Murnieks moved to adopt the minutes, seconded by Mr. Azoff, to approve those minutes. The motion was approved as follows: Ayes – Herrmann, Murnieks, Azoff, Stanger, Busken, and Keen; Nays – None. The Chair declared the motion passed and the minutes approved.

Ms. Herrmann next invited Commission staff to provide a presentation on Resolution 2021-6\*, providing for the sale and issuance of not to exceed \$175,000,000 in Infrastructure Improvement General Obligation Bonds, Series 2021A, Resolution 2021-7\*, providing for the sale and issuance of not to exceed \$50,000,000 in Conservation Projects General Obligation Bonds, Series 2021A, Resolution 2021-8\*, providing for the sale and issuance of not to exceed \$75,000,000 in Infrastructure

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Improvement General Obligation Refunding Bonds, Series 2021B, and Resolution 2021-9, providing for the sale and issuance of not to exceed \$150,000,000 in Common Schools General Obligation Refunding Bonds, Series 2021C.

Diane Chime, Chief of Capital Markets at the Ohio Office of Budget and Management, made the staff presentation to the Commission pertaining to the four Resolutions. Her presentation included explanation of the purposes of the projects supported by the bonds, that the Infrastructure Improvement General Obligation Refunding Bonds, Series 2021B are refunding bonds issued in 2012, that the Common Schools General Obligation Refunding Bonds, Series 2021C are refunding bonds issued in 2012, and that the sale date for this issue is expected to be October 27, 2021 with an expected closing date of November 10, 2021. Following her presentation, Mr. Azoff asked a clarifying question about the structure of the two proposed refunding bond series, and Ms. Chime confirmed his understanding.

Ms. Herrmann followed the presentation with a motion to adopt Resolution 2021-6, seconded by Ms. Murnieks. Upon roll call, the motion was approved as follows: Ayes – Herrmann, Murnieks, Azoff, Busken, Stanger, and Keen; Nays – None. Chair Herrmann then moved to adopt, seconded by Mr. Busken, Resolution 2021-7. Upon roll call, the motion was approved as follows: Ayes – Herrmann, Murnieks, Azoff, Busken, Stanger, and Keen; Nays – None. Chair Herrmann then moved to adopt, seconded by Ms. Murnieks, Resolution 2021-8. Upon roll call, the motion was approved as follows: Ayes – Herrmann, Murnieks, Azoff, Busken, Stanger, and Keen; Nays – None. Chair Herrmann then moved to adopt, seconded by Mr. Keen, Resolution 2021-9. Upon roll call, the motion was approved as follows: Ayes – Herrmann, Murnieks, Azoff, Busken, Stanger, and Keen; Nays – None.

Ms. Herrmann next invited Commission staff to present on Resolution 2021-10\*, a proposed restructuring of a portion of the State’s current interest-rate swap agreements portfolio. Errin Jackson, Assistant Debt Manager at OBM, explained the purpose and methodology of the State’s existing interest-rate swap agreements, how they provided financial benefit to the State when the agreements were entered into, and their basis on an international benchmark interest rate called the London Interbank Offered Rate (LIBOR). The State currently has five swap agreements based on a short term, one-month LIBOR rate, and two swap agreements based on a longer, ten-year LIBOR rate. Ms. Jackson explained that the LIBOR indices will cease to be used as for swap transactions after June 30, 2023. Ms. Jackson then relayed that the swap agreements tied to the ten-year LIBOR will need action prior to the end of calendar year 2021, however, because that index will cease to be published as early as January 2, 2022. As a result, in consultation with the State’s swap advisor, Swap Financial Group, as well as OPFC counsel, OPFC staff recommended restructuring these two swap agreements with their counterparty, JPMorgan. Ms. Jackson informed the Commission that an alternative interest rate index, SIFMA, will serve as the new basis on which variable rate payments are calculated, in this proposal. Following the presentation, Mr. Azoff asked a clarifying question about the risk of not amending these agreements, and Ms. Jackson confirmed that if not amended, the counterparty would be in a position to calculate the interest rate the State is required to pay. Chair Herrmann then proceeded with a motion to adopt the Resolution, with a second from Ms. Murnieks. Upon roll call, the motion was approved as follows: Ayes – Herrmann, Murnieks, Azoff, Stanger, Keen, and Busken; Nays – None.

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Ms. Herrmann next invited Commission staff to present on proceeding with the issuance of the following general obligation refunding bonds; not to exceed \$450,000,000 Infrastructure Improvement General Obligation Refunding Bonds, not to exceed \$275,000,000 Common Schools General Obligation Refunding Bonds, and not to exceed \$100,000,000 Conservation Projects General Obligation Refunding Bonds. Ms. Chime presented that refunding these bonds may afford protection to the State against the potential future rise in the interest rate environment, as well as taking advantage of present low rates. Ms. Chime indicated that these bond issuances include taxable advance refunding issuances and recommended that the Commission move to authorize the issuance with Frost Brown Todd serving as Bond Counsel, Acacia Financial Group serving as financial advisor, Loop Capital serving as lead senior underwriting manager, JPMorgan Securities= as Co-Senior underwriting manager, and Siebert Williams Shank and Stifel Nicolaus & Co. serving as Co-Managers.

Following the presentation by Ms. Chime, Mr. Azoff asked a clarifying question about the maximum issuance amount. Ms. Chime explained that all possible candidates for refunding are being analyzed for their economic value to the State, and the likely issuance amount would be below the maximum authorized by the Commission. Chair Herrmann then moved to authorize all necessary arrangements to proceed with a negotiated issuance of the Bonds, the motion was seconded by Mr. Azoff. Upon roll call, the motion was approved as follows: Ayes – Herrmann, Murnieks, Azoff, Stanger, Keen, and Busken; Nays – None.

There being no further business, the meeting was adjourned.

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Secretary