

STATE OF CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

Minutes of Authority Board Meeting

May 14, 2025

The State of Connecticut Health and Educational Facilities Authority held a meeting via videoconference and in-person on Wednesday, May 14, 2025.

The hybrid meeting was called to order at 1:42 p.m. by Mr. Peter W. Lisi, Chair of the Board of Directors of the Authority. Those present and absent were as follows:

PRESENT: Peter W. Lisi, Chair
Michael Angelini, Vice Chair¹
Lawrence Davis
Steve L. Elbaum
Kimberly Kennison (*Designee for Jeffrey Beckham, OPM Secretary*)²
Susan Martin
Sarah Sanders (*Designee for CT State Treasurer Erick Russell*)
Cesarina Thompson³
Mark Varholak⁴

ABSENT: Alan Mattamana

ALSO, PRESENT: Jeanette W. Weldon, Executive Director
Denise Aguilera, General Counsel
Rob Blake, Manager, Information Technology & Cyber Security⁵
Charles Bodie, Managing Director of Finance and Operations
Jessica Carducci, Administrative Services Assistant
Jen Chapman, Grants Program Manager
Dan Giungi, Senior Communications & Government Affairs Specialist
Krista Johnson, Sr. Credit and Compliance Specialist
JoAnne N. Mackewicz, Controller
Michael F. Morris, Managing Director, Client Services
Marlene Pagan, Transaction & Compliance Specialist⁶
Kara Stuart, Manager of Administrative Services
of Connecticut Health and Educational Facilities Authority

¹ Mr. Angelini participated in the meeting via conference telephone that permitted all parties to hear each other.

² Ms. Kennison participated in the meeting via conference telephone that permitted all parties to hear each other.

³ Ms. Thompson participated in the meeting via conference telephone that permitted all parties to hear each other.

⁴ Mr. Varholak participated in the meeting via conference telephone that permitted all parties to hear each other.

⁵ Mr. Blake participated in the meeting via conference telephone that permitted all parties to hear each other.

⁶ Ms. Pagan participated in the meeting via conference telephone that permitted all parties to hear each other.

INVITED GUESTS: Michael Andreana, Esquire, Pullman & Comley LLC⁷
Dori Antonetti, Counsel, Shipman & Goodwin LLP
Shasky Clarke, Associate, Hinckley Allen⁸
Jennifer Egan, Shareholder, Updike, Kelly & Spellacy, P.C.⁹
Deborah Henry, Principal Attorney, Hardwick Law Firm, LLC.¹⁰
Aaron Levy, Partner, Shipman & Goodwin LLP¹¹
Josh Nyikita, Managing Director, Acacia Financial Group, Inc.¹²
Keisha Palmer, Partner, Robinson + Cole LLP¹³
Kevin Palumberi, Partner, Carmody Torrance Sandak & Hennessey¹⁴
Trina Smith, Sr. Managing Consultant, PFM Financial Advisors LLC¹⁵
Jane Warren, Esquire, McCarter & English, LLP¹⁶

APPROVAL OF MINUTES

Mr. Lisi requested a motion to approve the minutes of the April 22, 2025 meeting of the Board of Directors. Mr. Elbaum moved to approve the minutes and Mr. Davis seconded the motion.

Upon a voice vote, the “Ayes,” “Nays” and “Abstentions” were as follows:

AYES

Michael Angelini
Lawrence Davis
Steven Elbaum
Peter W. Lisi
Susan Martin
Sarah Sanders
Cesarina Thompson
Mark Varholak

NAYS

None

ABSTENTIONS

Kimberly Kennison¹⁷

⁷ Mr. Andreana participated in the meeting via conference telephone that permitted all parties to hear each other.

⁸ Mr. Clarke participated in the meeting via conference telephone that permitted all parties to hear each other.

⁹ Ms. Egan participated in the meeting via conference telephone that permitted all parties to hear each other.

¹⁰ Ms. Henry participated in the meeting via conference telephone that permitted all parties to hear each other.

¹¹ Mr. Levy participated in the meeting via conference telephone that permitted all parties to hear each other.

¹² Mr. Nyikita participated in the meeting via conference telephone that permitted all parties to hear each other.

¹³ Ms. Palmer participated in the meeting via conference telephone that permitted all parties to hear each other.

¹⁴ Mr. Palumberi participated in the meeting via conference telephone that permitted all parties to hear each other.

¹⁵ Ms. Smith participated in the meeting via conference telephone that permitted all parties to hear each other.

¹⁶ Ms. Warren participated in the meeting via conference telephone that permitted all parties to hear each other.

¹⁷ Ms. Kennison abstained from voting as she did not attend the March 13, 2025 CHEFA Board of Directors meeting.

Mr. Lisi acknowledged Ms. Sanders for receiving the public service award from The Municipal Forum of New York.

BOARD EDUCATION: PERSPECTIVES, ASSUMPTIONS, AND INFERENCES

Ms. Aguilera introduced Ms. Dori Antonetti, Counsel, at Shipman & Goodwin LLP. Ms. Antonetti gave a presentation on Perspectives, Assumptions, and Inferences.

Mr. Lisi thanked Ms. Antonetti for her informative presentation. Ms. Antonetti left the hybrid meeting at 2:13 p.m.

EXECUTIVE DIRECTOR'S REPORT

Authority Updates

Ms. Weldon discussed the efforts at the federal level to preserve tax-exempt bonds and private activity bonds. Ms. Weldon stated CHEFA continues to work with its trade association, National Association of Health and Educational Facilities Finance Authorities (NAHEFFA) on the matter.

Ms. Weldon noted that CHEFA's client conference and 60th anniversary celebration will be on May 28, 2025 at the Pond House Café. Ms. Weldon encouraged Board members to register for the event.

Ms. Weldon turned the floor over to Mr. Giungi to discuss the launching of CHEFA's inaugural podcast titled "CHEFA Chats" which is part of CHEFAS 60th anniversary celebration. Mr. Giungi stated there will be 4 distributions for each quarter and the first one is already distributed featuring Jeanette Weldon. The podcast is available now on Spotify.

Client Updates

Mr. Morris provided an update of new bond issues in process and expected approval dates. Mr. Morris also provided an update of current bond issues in process and noted that Quinnipiac University Issue, Series O is still on-hold due to current market conditions. Mr. Morris reported that he, along with Ms. Weldon and Ms. Johnson had a call with Bristol Hospital to discuss current operating results and initiatives underway to improve its financial position. The hospital also state that it was delinquent in state user tax fees and. repayment plan with the state, but the state was considering holding back Supplemental and Medicaid payments for current taxes owed. The hospital

has asked the Authority if we could review the bond documents for their current outstanding bond issue to determine if there was any prohibition for the state to hold back such funds.

Market Updates

Ms. Trina Smith of PFM Financial Advisors LLC reported on the conditions of the municipal market.

Financial Updates

Ms. Mackewicz reported on the third quarter of fiscal year 2025 ending on March 31, 2025. Ms. Mackewicz reported operating revenues are on budget at \$6.1 million and operating expenses are under budget by \$333,000 at \$3 million. Ms. Mackewicz reported that the variance is due to changing the reporting to the Multiview system, and the budget is spread over 12 months. Therefore, there are some expense items that have not occurred yet or recently paid.

Mr. Elbaum recused himself from discussion of Fairfield University Issue, Series V as his employer, Robinson+Cole, serves as borrower's counsel for the proposed transaction. Mr. Elbaum also recused himself from discussion and vote regarding the Xavier High School Issue, Series A Reissuance as his employer, Robinson+Cole, serves as bond counsel for the proposed transaction. Mr. Elbaum left the hybrid meeting at 2:31 p.m.

PRELIMINARY STAFF MEMO

Fairfield University Issue, Series V

Mr. Morris reported Fairfield University is seeking up to \$30 million to finance a number of capital projects. Mr. Morris stated that the University had 6,340 full-time equivalent students enrolled across undergraduate and graduate programs for the 2025 academic year, and owns and operates on its campus the Fairfield College Preparatory School, a four-year high school for boys with approximately 760 students. Mr. Morris reported that the University has five CHEFA outstanding bond issues, totaling approximately \$264.5 million which are currently rated "A2" by Moody's and "A" by S&P. Mr. Morris reported this is a 22-year bond issue with a general obligation pledge.

Mr. Morris reported the University has a very strong market profile with the application volume increasing 47% in the past five years and selectivity at its lowest level. Mr. Morris stated Fairfield University has a favorable net tuition growth contributing to strong operating and operating cash flow margins but there will be a challenge to sustain its strong tuition revenue growth with a tuition and auxiliary reliance that is relatively high at 83.3%. Mr. Morris reported while total cash and investments

increased 11% over the past five years, total cash and investments to operating expenses declined 25% from a favorable 2.4 times to 1.8 in FY 2024. Mr. Morris stated that final approval is expected to take place at the June 18, 2025 Board meeting.

FINAL STAFF MEMO AND AUTHORIZING BOND RESOLUTION (RESOLUTION #2025-04)

Xavier High School Issue, Series A Reissuance

Mr. Morris reported on the background of the Xavier High School Reissuance. Mr. Morris reported that their bonds issued in 2014 were purchased by Citizens Bank, with \$3.7 million outstanding. Mr. Morris stated that the bonds are secured by a mortgage owned by the Diocese of Norwich which also provides a guaranty. Mr. Morris stated the Diocese filed for bankruptcy in July 2021 and Xavier failed its Debt Service Coverage Ratio in FY 2023.

Mr. Morris reported there's a reorganization plan in place whereby the Diocese intends to sell the mortgaged premises to Xavier for \$2.5 million. Mr. Morris reported that the bank has agreed to consent to the acquisition of the mortgage on the property by Xavier and waive the covenant non-compliance. Mr. Morris stated that in order to effectuate the consent to the acquisition and waiver, the following changes to the Series A bonds are contemplated:

- Release the guaranty by the Diocese
- Amend the 2014 mortgage to release the Diocese but retain the 1st mortgage lien on the property
- Modify the Debt Service Coverage Ratio calculation methodology, 1.20 times requirement will remain the same
- Modify the minimum Liquidity Covenant (cash & investments/debt) requirement from 40% to 100%
- Require additional collateral with a pledge of Xavier's investment assets
- Amend the Mandatory Tender Date from February 2029 to February 2027
- Amend the interest calculation SOFR spread from 1.70% to 2.25%

Mr. Morris stated that Staff is making a recommendation to the Board to adopt the new resolution to allow the Authority to enter into an Amended Loan Agreement and any other documents required by the reissuance which will allow the school to proceed with the reorganization plan.

Mr. Davis moved for approval of the Xavier High School Issue, Series A Reissuance (Resolution #2025-04) and Mr. Lisi seconded the motion.

Upon a voice vote, the “Ayes,” “Nays” and “Abstentions” were as follows:

<u>AYES</u>	<u>NAYS</u>	<u>ABSTENTIONS</u>	<u>RECUSALS</u>
Michael Angelini Lawrence Davis Kimberly Kennison Peter W. Lisi Susan Martin Sarah Sanders Cesarina Thompson Mark Varholak	None	None	Steven Elbaum

Mr. Elbaum returned to the hybrid meeting at 2:40 p.m.

Mr. Varholak recused himself from discussion and vote regarding the Nonprofit Grant Program awards Quinnipiac University has a relationship with one of the applicants.

COMMITTEE REPORT

Grant Committee Meeting

Mr. Davis reported that the Grant Committee met earlier today to review grant applications and select finalists for the FY 2026 Enterprise Capital Grant Program. The Enterprise Capital program received 89 Letters of interests (LOIs) requesting over \$35 million in funding. Mr. Davis reported that the Grant Committee recommended the following organizations as finalists for the 2026 Enterprise Capital Grant Program: Boys and Girls Club of Stamford, Hartford Promise, The Towers Foundation, and Wesleyan University.

Mr. Davis reported that the Grant Committee also discussed the FY 2025 Nonprofit Grant Program. Mr. Davis reported there were 37 total applications and the amount approved earlier at the Grant Committee was \$1,076,800.

The following applications were recommended:

Boundless Literacy Inc.: \$52,000

Center for Children's Advocacy: \$30,000

Child and Family Agency: \$75,000

First Choice Health Center, Inc.: \$75,000

Generations Family Health Center, Inc.: \$74,800

Hartford Stage Company, Inc.: \$25,000
Havenly, Inc.: \$75,000
Lavender Policy Center: \$75,000
Monitor My Health, Inc.: \$75,000
Moving With Health Oriented Physical Education, Inc.: \$75,000
Music Haven: \$75,000
Planned Parenthood of Southern New England: \$75,000
ReadyCT: \$75,000
Susan B. Anthony Project: \$45,000
The Watkinson School: \$10,000
Visiting Nurse Association of Ridgefield, Inc.: \$40,000
Wadsworth Atheneum Museum of Art: \$50,000
Waterbury Promise Inc.: \$75,000

Mr. Davis stated that the Grant Committee is making a recommendation to the Board to accept the FY 2025 CHEFA Nonprofit Grant Program awards as listed above and increase the amount for the FY 2025 Nonprofit Grant Program by \$76,800. Mr. Elbaum moved for approval and Ms. Kennison seconded the motion.

Upon a voice vote, the “Ayes,” “Nays” and “Abstentions” were as follows:

<u>AYES</u>	<u>NAYS</u>	<u>ABSTENTIONS</u>	<u>RECUSALS</u>
Michael Angelini Lawrence Davis Steven Elbaum Kimberly Kennison Peter W. Lisi Susan Martin Sarah Sanders Cesarina Thompson	None	None	Mark Varholak

ADJOURNMENT

There being no further business, Ms. Martin moved to adjourn the meeting and Mr. Davis seconded the motion.

Upon a voice vote, the “Ayes,” “Nays” and “Abstentions” were as follows:

<u>AYES</u>	<u>NAYS</u>	<u>ABSTENTIONS</u>
Michael Angelini Lawrence Davis	None	None

Steven Elbaum
Kimberly Kennison
Peter W. Lisi
Susan Martin
Sarah Sanders
Cesarina Thompson
Mark Varholak

The hybrid meeting adjourned at 2:48 p.m.

Respectfully submitted,

Jeanette W. Weldon
Executive Director