

OHIO AIR QUALITY DEVELOPMENT AUTHORITY

Mike DeWine
Governor

Members

James S. Simon
Chairman

Michael H. Keenan
Vice-Chairman

Ted Celeste
Michael F. Curtin

Ex Officio

Lance D. Himes, Interim Director
Ohio Department of Health

Laurie Stevenson
Ohio Environmental Protection Agency

Executive Director
Christina O'Keeffe

Secretary-Treasurer
Christina O'Keeffe

Legal Counsel
Stephen J. Smith, Esq.

Programs
Project Development and Financing
Clean Air Resource Center

The regular meeting of the *OHIO AIR QUALITY DEVELOPMENT AUTHORITY* will be held virtually on Tuesday, May 12, 2020 at 10:00 am. Below is information to access the meeting, you may join by video by selecting this link: [Join Microsoft Teams Meeting](https://teams.microsoft.com/l/meetup-join/19%3ameeting_ZjEyZGIzNDYtNDU4My00YTlmLThlZDI0Mjg5ZWQ1OTI2ZTk0%40thread.v2/0?context=%7b%22Tid%22%3a%2250f8fcc4-94d8-4f07-84eb-36ed57c7c8a2%22%2c%22Oid%22%3a%228aa8ee13-d96e-49bd-b46c-e99a391b9321%22%7d) or by telephone at (614) 721-2972, Conference ID number 364 182 069#. The direct URL to access the meeting via Microsoft Teams is:

https://teams.microsoft.com/l/meetup-join/19%3ameeting_ZjEyZGIzNDYtNDU4My00YTlmLThlZDI0Mjg5ZWQ1OTI2ZTk0%40thread.v2/0?context=%7b%22Tid%22%3a%2250f8fcc4-94d8-4f07-84eb-36ed57c7c8a2%22%2c%22Oid%22%3a%228aa8ee13-d96e-49bd-b46c-e99a391b9321%22%7d

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OHIO AIR QUALITY DEVELOPMENT AUTHORITY



TUESDAY, MAY 12, 2020

TENTATIVE AGENDA

The meeting will be conducted in accordance with open meeting laws within the State of Ohio. During the current state of emergency and to protect employees, partners and the public, the Authority is offering video conference access and a call line as the option to attend the meeting remotely. To help ensure capacity on this conference line or to obtain assistance in accessing the meeting, please email info@aqda.state.oh.us with your interest to participate.

To access the meeting by video, choose this link: [Join Microsoft Teams Meeting](#).

To access the meeting by telephone, dial: 1 (614) 721-2972, Conference ID: 364 182 069#

1. Welcome and Introduction of Guests Chairman

2. Minutes March 10, 2020

3. Resolution 20-19 (CARC) Kroner Dry Cleaners, Inc.

A resolution authorizing the issuance of not to exceed \$135,000 Air Quality Revenue Bonds of the State of Ohio in order to assist Kroner's Dry Cleaner, Inc. in the financing of costs of air quality facilities in order to promote the public purposes of Chapter 3706, Ohio Revised Code; providing for the assignment of revenues for the payment of the bonds; authorizing the execution and delivery of a loan agreement, assignment of loan agreement and bonds; and authorizing and approving related matters.

4. Resolution 20-20 (CARC) Kroner Dry Cleaners, Inc.

That the Ohio Air Quality Development Authority (the "Authority") approves two grants from the Small Business Assistance Fund to Kroner Dry Cleaners, Inc. for the purpose related to the eligible portions of the financing approved through Resolution 20-19.

5. 2019 Audited Financial Statements Rea & Associates

6. Presentation & Discussion on Communications
Messaging Framework Inspire PR Group

7. Presentation & Discussion on Program Guidelines Public Financial Management (PFM) &
Texas A&M University

8. Presentation on Green Bonds Public Financial Management (PFM)

9. Executive Director's Report

Christina O'Keeffe

➤ Fiscal Update

Dawn Pertner, Fiscal Officer

10. Adjournment

OHIO AIR QUALITY DEVELOPMENT AUTHORITY

The regular meeting of the Ohio Air Quality Development Authority was held remotely, on Tuesday, May 12, 2020 at 10:00 am.

As authorized through House Bill 197 passed by the General Assembly and signed into law by Governor DeWine, the Authority conducted this meeting via Microsoft Teams online videoconferencing in order to protect the public during the declaration of an emergency related to COVID-19 pandemic. A telephone number and videoconference link to the meeting was published on the Ohio Air Quality Development Authority website and distributed to persons of interest prior to the meeting and in compliance with Open Meeting Laws.

These are the minutes of the meeting.

The following members were present:

Jim Simon, Chairman
Michael Keenan, Vice Chairman
Michael Curtin
Ted Celeste

Ex-Officio members present:

Laura Factor, Ohio Environmental Protection Agency

Staff present:

Christina O’Keeffe, Executive Director
Sandra Langston, Administrative Manager
Dawn Pertner, Fiscal Officer
Brooke Grant, Manager of Planning & Projects
Gabe Lorenz, Customer Service Coordinator

General Counsel:

Thad M. Boggs, Frost Brown Todd

Guests present:

Mary Sullivan, Dinsmore & Shohl
Blake Beachler, Calfee
Jeff Haberl, Texas A&M
Zac Morris, Rea & Associates
Laura Franke, Laura Franke LLC
Marisa Long, Inspire PR Group
Jess Ensley, Inspire PR Group
Tom Furnace, Inglewood Associates
Susana Solentino, Donovan Energy
Stephen J. Smith, Frost Brown Todd

Rob McCarthy, Bricker & Eckler
Ray Kroner, Kroner Dry Cleaners
Bethany Pugh, PFM
Matt Schnackenberg, PFM
Ryan Reichley, Rea & Associates
Hinda Mitchell, Inspire PR Group
John Kirschner, GB Solutions
Andy Holzhauser, Donovan Energy
Madeline Fleischer, Dickinson Wright

This meeting of the Authority has been duly posted and given to all news media, organizations and other persons who requested such information in accordance and in full compliance with Rule No. 2 of this Authority.

The Chairman called the meeting to order at 10:00 am.

1. The Chairman welcomed everyone.

The Chairman noted the meeting was being conducted through Microsoft Teams videoconferencing, in compliance with the Open Meetings Act rules.

General Counsel confirmed compliance with the Open Meetings Act, that a quorum was present, and that it remained an open, public meeting. General Counsel confirmed that the meeting was fully in compliance with state law and suggested taking the roll of members present in the room.

Ms. Langston called the Roll:

Mr. Simon – Yea
Mr. Keenan - Yea
Mr. Celeste - Yea
Mr. Curtin - Yea
Ms. Factor – Yea
Mr. Phillips - Absent

Chairman Simon stated that the Authority would be explicit and clear in which item was currently on the table for discussion or vote, and that he would recognize members and guests by name and title in discussion or ask them to introduce themselves. Additionally, he stated that roll call votes would be taken for each vote, and that if any member left the meeting it would be noted in the minutes. As part of the orientation to the meeting, the Chairman asked Gabe Lorenz and Sandra Langston to provide information about the Teams software and the ground rules for the meeting.

Guests and staff then introduced themselves.

2. Minutes – Regular business meeting March 23, 2020.

Mr. Keenan moved for approval of the minutes. Ms. Factor seconded.

Roll call vote:

Mr. Simon - Yes
Mr. Keenan - Yes
Mr. Curtin - Yes
Mr. Celeste - Yes
Ms. Factor - Yes

General Counsel confirmed that Mr. Celeste could vote on the minutes even though he was not present at the March 23 meeting.

Motion passed. Minutes adopted.

3. Resolution 20-19 (CARC)

Kroner Dry Cleaners

A resolution authorizing the issuance of not to exceed \$135,000 Air Quality Revenue Bonds of the State of Ohio in order to assist Kroner’s Dry Cleaner, Inc. in the financing of costs of air quality facilities in order to promote the public purposes of Chapter 3706, Ohio Revised Code; providing for the assignment of revenues for the payment of the bonds; authorizing the execution and delivery of a loan agreement, assignment of loan agreement and bonds; and authorizing and approving related matters.

Director O’Keeffe introduced this Resolution for Kroner Dry Cleaners, a small family-owned dry cleaning business located in Cincinnati. The financing is not to exceed \$135,000, and the purchaser of the bond is Cincinnati Savings and Loan. She noted that Kroner is one of the oldest dry cleaners in the city, and that their project involves replacing a machine that used perchloroethylene. She introduced Ray Kroner to present on behalf of the business.

Mr. Kroner discussed his company’s history and introduced a short video about his company. His grandfather started the business, and Mr. Kroner joined in 1978. The business is active in its community, including both service for their neighborhood and supporting local organizations such as the Cincinnati Opera, Cincinnati Ballet, Playhouse in the Park, and other theatre and arts programs. He then gave a brief overview of the dry cleaning process and his proposed equipment, which will use a biodegradable, reusable solvent.

Mr. Celeste moved to approve Resolution 20-19. Mr. Curtin seconded.

Roll call vote:

- Mr. Simon - Yes
- Mr. Keenan - Yes
- Mr. Curtin - Yes
- Mr. Celeste - Yes
- Ms. Factor - Yes

Motion passed. Resolution adopted.

4. Resolution 20-20 (CARC)

Kroner Dry Cleaners

That the Ohio Air Quality Development Authority (the “Authority”) approves two grants from the Small Business Assistance Fund to Kroner Dry Cleaners, Inc. for the purpose related to the eligible portions of the financing approved through Resolution 20-19.

Director O’Keeffe introduced this Resolution for Kroner Dry Cleaners. This Resolution involves the small business assistance grants in coordination with bond financing under Resolution 20-19. She noted that the Resolution contemplates the grants under the current administrative rules, which were going through the review process under the Joint Committee on Agency Rule Review (JCARR). She stated that the Authority worked with Bond Counsel Blake Beachler to include language that will provide a grace period to Kroner to install their equipment before December 31, 2020 and remain eligible to receive assistance under the amount specified in the current rules. This period of time accommodates any timing issues with access to equipment from suppliers during the pandemic.

Mr. Keenan moved to approve Resolution 20-20. Mr. Celeste seconded.

Roll call vote:

Mr. Simon - Yes
Mr. Keenan - Yes
Mr. Curtin - Yes
Mr. Celeste - Yes
Ms. Factor - Yes

Motion passed. Resolution adopted.

5. 2019 Audited Financial Statements

Rea & Associates

Director O’Keeffe introduced Rea & Associates. She noted their effort in working with the Authority, particularly with Fiscal Officer Dawn Pertner, toward an accelerated timeline that allowed audited financials to be used in the Authority’s annual report. She introduced Zac Morris and Ryan Reichley of Rea & Associates to give the presentation.

Mr. Morris thanked the Authority for having them, and for working with Rea & Associates throughout the audit process even as everyone began working remotely. Mr. Reichley directed the Authority members to the audit report that was provided and noted the different components of the company’s opinion of the Authority’s audited financial statements. He stated that Rea & Associates delivered a clean opinion of the financial statements and described the different required components of the audit. He listed items of note throughout the report, and stated that there were no items of noncompliance required to be reported under government auditing standards.

Further, he stated that they did not discover any unusual transactions, had no disagreements with management, did not discuss any significant issues with management, and had no significant difficulties in performing the audit. He noted that there was an attachment to the letter to those charged with governance concerning the only proposed audit adjustment, that it was only there as required by GASB 68. The proposed adjustment concerned separation of two items that were classified together, but he noted that they were not misleading to the reader and were immaterial to the audit.

6. Presentation & Discussion on Communications

Inspire PR Group

Messaging Framework

Director O’Keeffe introduced this presentation by Inspire PR Group. The presentation is a follow up to discussion during the February 2020 meeting in which they discussed the status of the Authority, and the direction in which the Authority could go with marketing and communications. She introduced Hinda Mitchell and Marisa Long of Inspire PR Group to present.

Ms. Long introduced the presentation, thanking the Authority Members for having them there and describing the goals for their discussion. She described the benefits of speaking with a unified voice, and stated that the messaging they are working on should resonate very well with the world as it is today. She then recalled the February discussion and gave a brief reminder of what was discussed at

that time. She noted that more detailed highlights are available in the memo given to the Authority Members before the meeting.

Ms. Long then discussed their proposed mission statements for the Authority, which used the same ideas as the current mission statement but with updated language.

Ms. Mitchell discussed the importance of the messaging process, stating that messaging is important to comprehension of what the Authority does, for the people who it serves and who contribute to the Authority's funding. She then described the process of values-based messaging, and noted that the Authority's mission provides the basis for the who, what, and why for the Authority's messaging and marketing.

Ms. Mitchell then outlined some of the key messages for the Authority, stating that they are focused on values and representing the Authority's holistic approach. She noted that the presentation from Kroner Dry Cleaners showed how the Authority's work can touch whole communities, including the arts and community organizations. Further, she noted they want to emphasize partnership for both businesses and communities, tax benefits, and flexibility of the Authority's programs.

Discussion surrounded the mission statement proposals, with emphasis on the "partnership" aspect. Director O'Keeffe noted that she would reach out to members individually for feedback.

7. Presentation & Discussion on Program Guidelines Public Financial Management (PFM) & Texas A&M University

Director O'Keeffe introduced this presentation, which follows up on a discussion from the February board retreat. She thanked Laura Franke, Bethany Pugh, and Matt Schnackenberg from PFM for their efforts on developing the financial analysis portion and Dr. Jeff Haberl and his team at Texas A&M along with Dr. Kelly Kissock from University of Dayton for working on the technical information. She framed the discussion based on the priorities established by the Authority Members, such as a focus on the protocols for evaluating the application, establishing monitoring and verification of project performance, and other specific policy concerns. She then discussed the matrix for key criteria factors in analyzing potential projects that the Authority Members had agreed to during their February meeting. Next, she introduced Ms. Laura Franke from PFM to present on the guidelines on behalf of the project team.

The program guidelines will cover five different main project types and provide the framework for evaluating project applications based on technical, financial, impact and accountability factors. Ms. Franke discussed several items from the guidelines, such as adopting a two-step application procedure that is currently in practice on more complex projects to allow prospective applicants to engage the Authority on eligibility and other key factors, the procedures for measurement and verification, a standardized method for assessing air quality benefits, eligibility and costs, and the role of bond purchasers. A further consideration was stakeholder engagement, which includes outreach with local taxing authorities by the applicant. She also provided a general description of the OAQDA financing process.

Ms. Franke pointed out discussion topics, including program name, a "look back period," stakeholder engagement, accountability requirements, monitoring and verification. Discussion surrounded stakeholder feedback and outreach to local governments, with Ms. Franke noting that the proposed guidelines include the idea of a template for stakeholder outreach that applicants could use, allowing the

Authority to articulate the parameters at the start, along with the idea of a hold harmless agreement that would require the applicant to continue paying taxes along the basis of the past three-year average. She also identified the “but for” test aspect of the guidelines as something that could be used in discussions to provide value to local governments.

Director O’Keeffe asked Authority members to follow up with her individually, as they continued to consider the information that had been presented. She then discussed next steps for the process, including stakeholder feedback from the Ohio EPA, Governor’s Office, OAQDA technical consultants, bond counsels, and public comments with release. Additional next steps include board approval of guidelines in June along with the implementation process and communications plan.

8. Presentation on Green Bonds

Public Financial Management (PFM)

Director O’Keeffe introduced this presentation and reintroduced Ms. Franke. Ms. Franke described green bonds as a label that allows investors to identify bonds with environmental assets aligned with their investment priorities or goals. The principles for green bonds are governed by the International Capital Markets Association (ICMA). Ms. Franke then discussed the process to enter into issuing certified green bonds, which would involve the Authority creating a “Green Bond Framework” and that describes several aspects of the bonds, such as the issuer’s evaluation process, use and management of proceeds and measurement and verification. Many of these features are already consistent with the draft program guidelines. Furthermore, second-party opinion verification is recommended.

Director O’Keeffe discussed potential benefits through this process, including diversifying investors for Ohio projects – particularly during this of when many are identifying ways to reduce the operating costs of their fixed assets – through the value of the green bond issuance and marketing potential, along with aligning with the Authority’s direction in developing the pending program guidelines. She noted the start-up costs, which include approximately \$10,000 in fees to develop the Green Bond Framework along with another \$10,000-\$15,000 for the second-party opinion to verify the Authority’s standards for the green bond designation. Additionally, there would be ongoing reporting and monitoring of projects’ performance by ICMA or affiliates, estimated \$5,000-\$6,000 per year. These fees could potentially be assessed to the affected projects.

Discussion surrounded the value of the certification, along with the Authority’s general direction to proceed. Director O’Keeffe stated she plans to bring the green bond process before the Authority for approval consideration in June.

9. Executive Director’s Report

Director O’Keeffe acknowledged the many progress updates on the agenda and thanked members for their support to allow the staff to reach this point. The Authority staff is expected to continue teleworking for the foreseeable future under the direction of the Governor and will explore protocols for staff when it may be safe to begin returning to the office later in the year. Frequent updates are provided by the Governor’s Office and she will continue to monitor the situation. She also reported that the previous week was Public Service Recognition Week and each staff member was highlighted discussing reasons why they serve. She encouraged Members to go to the OAQDA social media platforms to view the posts, and recognized the staff’s efforts during the pandemic and adjusting to teleworking while maintaining the business as usual.

Director O’Keeffe discussed project updates, noting that two projects were expected to close through May and June and referenced several more projects anticipated in the next few months. She highlighted the Annual Report, published by the Authority’s statutory deadline of April 20, and thanked Sandra Langston, Gabe Lorenz, and Inspire PR for their work in developing the report. She noted that the report highlighted the Authority’s activity in different geographic regions of the state, along with the environmental and economic benefits presented as a result to each region. She then reported on the continued marketing and communications work, stating that Inspire PR was working with Authority staff to develop the Authority’s website and social media. She invited members to view recent edits to the website as content was revised for clarity and new messaging. Furthermore, Inspire PR would be taking a more direct role in handling social media to continue marketing efforts over the next few months. Finally, she discussed the status of the JCARR rule revision process for three Authority administrative rules, including the Small Business Assistance program along with rules considering public meetings and public notice. The rules will be ratified by the Authority at the June meeting and on track to become effective on July 1, 2020.

Next, she introduced Dawn Pertner, Fiscal Officer, to present a fiscal update from the first quarter of 2020 along with the revisions to the budget as a result of the COVID-19 pandemic. Ms. Pertner discussed the 2020 year to date numbers as of April, which demonstrated a strong first quarter for the Authority. She stated there was an increase in revenue from projects of \$18,000 as compared to the same point in 2019. Expenses through this point in the year were increased from 2019, but that was expected under the 2020 budget. She noted that revenue estimates did not include cost recovery from the House Bill 6 programs.

She then presented on revenue forecasts, including interest income and administrative fee income, along with the five-year revenue trend. She noted that Director O’Keeffe asked her to adjust the revenue projections in calendar year 2020 with a 20 percent reduction in anticipation of potential impacts of the COVID-19 pandemic. Even with reduced revenue projections, the five-year trends for revenue is on track to remain steady; however, she stated will continue to monitor information in the next couple of months to inform projections for the rest of 2020 and specifically for the 2021 state fiscal year that will begin in July 1, 2020. She discussed changes in the budget that were made, in consultation with the Office of Budget and Management (OBM) under the guidance by Governor DeWine. The Authority, along with other state agencies, received targets for 20 percent reductions, which would be adjusted based on agency specifics. The main three areas for the Authority under OBM guidance were operating expenses, the Small Business Ombudsman Program, and the Small Business Assistance Program. After this process, the Authority will have a reduction of 17 percent and will be able to accommodate all projects that were previously approved by the Authority. Information on the state operating budget for next fiscal year is pending.

Ms. Pertner then presented on the revisions to the agency’s organizational expenses to match the reduction in revenue. The reductions include travel, new personnel, and training expenses. She noted that professional services or fixed contracts were not reduced at this time, but may analyze these expenses depending on the actual revenue performance through the second quarter of 2020. She stated that despite reduced income, the Authority was in good standing and shared the Authority’s fund balances. She stated that the Authority would continue to be proactive and stay on the front end of any developments and updates.

Discussion surrounded the revenue comparisons to 2019, remaining budget for 2020, and remaining costs for the House Bill 6 program, along with potential mid-biennium review plans for the state.

Director O’Keeffe noted that the June meeting will be conducted via Microsoft Teams platform.

110. Adjournment

The Chairman adjourned the meeting at 12:06 p.m.

The regular meeting of the *OHIO AIR QUALITY*

***DEVELOPMENT AUTHORITY* will be held remotely on**

Tuesday, June 9, 2020 via video conferencing through Microsoft

Teams.