

Meeting of the Board  
**PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY**  
July 18, 2019  
**Room 515 North Office Building**  
Harrisburg, Pennsylvania  
10:50 a.m. Prevailing Time

MINUTES

1. Call to Order, Filing of Proof of Sunshine Notice and of Sending Notice of the Meeting and Announcement of Quorum
2. Election of a Vice President
3. Approval of the Minutes of the Meeting of April 11, 2019
4. Audit Committee Entrance Conference
5. Approval of Projects
  - A. Resolution Authorizing the Undertaking of a Project on Behalf of Bryn Mawr College
  - B. Resolution Authorizing the Undertaking of a Project on Behalf of the State System of Higher Education
6. Old Business
  - A. Project Update
  - B. Financing Out-of-State Facilities for Pennsylvania's Nonprofit Teaching Hospitals
7. New Business
8. Adjournment

**1. CALL TO ORDER, FILING OF PROOF OF SUNSHINE NOTICE AND OF SENDING NOTICE OF THE MEETING AND ANNOUNCEMENT OF QUORUM**

With a quorum of the Board being present, the meeting of the Board of the Pennsylvania Higher Educational Facilities Authority was called to order on Thursday, July 18, 2019 at 10:50 a.m. prevailing time, in Room 515 North Office Building, Harrisburg, Pennsylvania. The proof of the Sunshine advertisement and certification in regard to sending the notice of the meeting is attached to these minutes and identified as Appendix "A".

**Board Members Present**

Steven Heuer, (Proxy for Governor Thomas W. Wolf)  
Gwenn Dando, (Proxy for Senator Wayne Lanerholc Jr.)  
Lisa Felix, (Proxy for Senator Andrew E. Dinniman)  
Alaina Koltash, (Proxy for Representative Curtis G. Sonney)  
Alan Cohn, (Proxy for Representative Anthony M. DeLuca)  
Christopher Craig, (Proxy for Treasurer Joseph M. Torsella)  
Christal Pike-Nase, (Proxy for Auditor General Eugene A. DePasquale)  
Secretary of General Services Curtis Topper

**Board Member Absent**

Secretary of Education Pedro A. Rivera

**Authority Personnel Present**

Beverly Nawa, Acting Executive Director  
David Player, Comptroller  
Kay Knepp, Accountant

**Also Present**

Joel Snavelly, Treasury Manager, Pennsylvania State System of Higher Education  
Nilda Sather, Senior Treasury Accountant, Pennsylvania State System of Higher Education  
Susie Williamson, Esquire, Pennsylvania State System of Higher Education  
Shea McQuillan, Intern, Office of Senator Wayne Langerholc Jr.

**Participated Via Conference Call**

William McCarty, Esquire, Barley Snyder LLP  
Kari Fazio, Chief Financial Officer & Treasurer, Bryn Mawr College  
Peter Edelman, Esquire, Stevens & Lee, P.C.

## **2. ELECTION OF A VICE PRESIDENT**

Chairperson Heuer explained that Senator Scarnati designated Senator Wayne Langerholc as a member of our board to replace Senator Aument. Since Senator Aument was one of our Vice Presidents, we must elect a new Vice President.

Chairperson Heuer asked for a motion to elect Senator Langerholc as Vice President of the Board.

Upon **MOTION** by **Ms. Pike-Nase**, and after full discussion, Senator Wayne Langerholc Jr. was unanimously elected Vice President at the PHEFA Board Meeting of July 18, 2019.

## **3. APPROVAL OF THE MINUTES OF THE MEETING OF APRIL 11, 2019**

A copy of the minutes of the meeting of April 11, 2019, was distributed to the Board Members prior to this meeting. It is therefore recommended that consideration be given to the adoption of the following Resolution:

**RESOLVED** That the minutes of the PHEFA meeting of April 11, 2019, be and hereby are approved as presented.

Upon **MOTION** by **Ms. Pike-Nase** and after full discussion, the above Resolution was unanimously approved at the PHEFA Board Meeting of July 18, 2019.

## **4. AUDIT COMMITTEE ENTRANCE CONFERENCE**

Chairperson Heuer explained that the Audit Committee met with the Auditors on May 9<sup>th</sup>. Maher Duessel discussed upcoming accounting pronouncements relevant to the Authority. The committee also reviewed the Investment Policy as part of the Board's annual review. Chairperson Heuer asked Ms. Pike-Nase, as chair of the Audit Committee, to comment on the meeting and the changes to the Investment Policy.

Ms. Pike-Nase explained that all five members of the committee attended the meeting and that participation has been good over the last couple of years. Tracey Rash, a partner at Maher Duessel, represented the independent auditors. She indicated that they were working on their field work.

According to a summary provided by Dave Player, the Authorities had about the same activity as the prior year. It was noted that Dave and Bev have been visiting several community colleges to get more information about their needs. They have found that higher education entities have been responsive and they think that those visits have been helpful. It was also noted that the schools are happy that the terms of the revolving loans have been expanded.

Ms. Rash distributed an outline and provided the audit timing, audit process and also discussed accounting pronouncements that came into effect in June 2019.

Ms. Pike-Nase also mentioned that Maher Duessel's contract will be expiring and the audit will have to be put up for bid.

Mr. Player said that the bidding process will be in October or November.

## **5. APPROVAL OF PROJECTS**

### **A. Resolution Authorizing the Undertaking of a Project on Behalf of Bryn Mawr College**

Ms. Nawa explained that Bryn Mawr College requested that we issue a maximum of \$37,000,000 in revenue bonds to finance the current refunding of all of our outstanding Bryn Mawr College Revenue Bonds, Series 2010A. The financing will also include the design, acquisition, construction, installation and equipping of a new student life and wellness center; renovations and improvements to the Park Science Complex; and various other capital renovations and improvements to the College's existing buildings and facilities.

The Bank of New York Mellon Trust Company will serve as the Trustee for the Bonds and Wells Fargo Bank will serve as the Underwriter for the Bonds. After completing an RFP and at the request of the College, the Office of General Counsel has appointed Stevens & Lee and Turner Law as Co-Bond Counsel for this issue.

The Resolution in your agenda approves all of the actions necessary in connection with the issuance of the Bonds.

On the phone to answer Board Members' questions are Kari Fazio, Chief Financial Officer and Treasurer of the College, Peter Edelman, Esquire of Stevens & Lee and Julius Coursey, Managing Director of Wells Fargo.

Chairperson Heuer asked if Board Members had any questions.

Mr. Craig asked if we could get back in the habit of listing the Bond Counsel fee. The purpose of the RFP process is to drive down cost and that has certainly happened in the issuance of GO bonds, but we are running blind when we don't see the cost.

Ms. Nawa indicated that the fee was e-mailed to Board Members but she did not know off the top of her head the fee amount.

Mr. Craig said that the idea of having minority bond counsel was to have diversity and to spread the wealth or to spread the opportunity to multiple different

firms. Staff had, in the past provided to the board who those firms were. He believed it was three firms. He asked to have that information provided again. He believed it is the same three firms. If that is actually the case, what can we do to encourage other firms. Having that information before the next board meeting would be helpful.

Ms. Nawa said that they would provide the information.

Chairperson Heuer asked what the college expected to save from the refunding.

Mr. Coursey explained that the bonds that they are refunding were issued with a hard maturity in December 1 of this year. They are stretching out the term. It is not necessarily a refunding for savings. It is a bond that was issued with a short final maturity to support projects with a really long average life and they are now refunding it to match the average life of the projects originally financed with the bonds.

Mr. Craig thanked Mr. Coursey and said that was not clear to him. He also said that this information is important so as the board votes on the project, they should know that information. He mentioned that at one time it was regularly disclosed. He requested that we go back to that practice and if it is not included like in this one, a couple of sentences in the summary page explaining that the refunding is an extension of the debt, not so much an effort to seek savings.

Chairperson Heuer pointed out that the information was in the introduction to the project under number five.

Mr. Craig said that it should be made easy for Board Members and when there is a savings it should be quantified.

Chairperson Heuer asked if there were any other questions from Board Members, and hearing none, he asked for a motion to approve the Resolution.

**RESOLUTION OF THE  
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY  
AUTHORIZING  
THE UNDERTAKING OF A PROJECT ON BEHALF OF  
BRYN MAWR COLLEGE  
SERIES 2019**

**DOCKET NO. 677**

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

1. The Pennsylvania Higher Educational Facilities Authority (the “Authority”) shall undertake the financing of a project (the “Project”) on behalf of Bryn Mawr College (the “College”) consisting of (a) the current refunding of all of the Authority’s outstanding Bryn Mawr College Revenue Bonds, Series 2010A (the “2010A Bonds”); (b) the payment of all or a portion of the costs of the design, acquisition, construction, installation and equipping of (i) a new student life and wellness center; (ii) renovations and improvements to the Park Science complex; and (iii) various other capital renovations and improvements to the College’s existing buildings and facilities; and (c) the payment of all or a portion of the costs of issuance of the Bonds (as hereinafter defined); provided, however, that the Executive Director or the Acting Executive Director of the Authority, at the request of the College, shall have the power to add, delete or substitute for any component of the Project but only to the extent permitted by The Pennsylvania Higher Educational Facilities Authority Act of 1967, as amended, and the Federal income tax laws from time to time in effect.

2. The Authority does hereby authorize the issuance of tax-exempt and/or taxable bonds (collectively, the “Bonds”) in one or more series in an aggregate principal amount not expected to exceed \$37,000,000, which Bonds shall be designated “Pennsylvania Higher Educational Facilities Authority, Bryn Mawr College Revenue Bonds, Series 2019” or similar designation, to be issued under one or more trust indentures or similar agreements (collectively, the “Indenture”) between the Authority and The Bank of New York Mellon Trust Company, N.A. (the “Trustee”).

The Bonds are expected to bear interest at one or more fixed taxable and/or tax-exempt rate(s) of interest acceptable to the College, shall mature in such principal amounts and at such times, not in excess of 31 years, all as approved by the Executive Director of the Authority or the Acting Executive Director of the Authority in consultation with the College and as further provided in the Bond Purchase Agreement hereinafter defined and described.

The Bonds shall be limited obligations of the Authority, payable only from payments made by the College under the Loan Agreement (as hereinafter defined). The Bonds shall be issued in such denominations and form and with such terms as shall be set forth in the Indenture and approved by the Executive Director of the Authority or the Acting Executive Director of the Authority. The execution of the Bonds with the manual or facsimile signature of the President or any Vice President of the Authority and the attestation thereof by the manual

or facsimile signature of the Secretary or the Assistant Secretary of the Authority is hereby authorized. The Executive Director of the Authority or the Acting Executive Director of the Authority is hereby authorized to deliver the Bonds to the Trustee for authentication, and to execute and deliver instructions to the Trustee to deliver the Bonds, on behalf of the Authority, to or upon the order of the purchaser thereof, against receipt of the purchase price, together with any accrued interest, all in accordance with the requirements of the Indenture.

3. The proceeds from the sale of the Bonds shall be loaned by the Authority to the College pursuant to the terms of one or more loan or similar agreements to be entered into between the Authority and the College (collectively, the "Loan Agreement"), and shall be applied by the College for and toward the costs of the Project.

4. The President, any Vice President, the Executive Director or the Acting Executive Director of the Authority is hereby authorized on behalf of the Authority to negotiate with the underwriter, hereinafter appointed, for an acceptable proposal for the purchase of any series of the Bonds issued hereunder, and to enter into one or more purchase agreements (the "Bond Purchase Agreement") for such purpose in accordance with the terms of this Resolution, and the President, any Vice President, the Secretary or any Assistant Secretary, the Executive Director or the Acting Executive Director of the Authority is hereby authorized to execute and deliver the Bond Purchase Agreement on behalf of the Authority and to take such further action as he or she deems necessary or advisable to carry out the obligations of the Authority thereunder.

5. The Authority does hereby authorize the execution and delivery of the following documents relating to the issuance of the Bonds of any series authorized hereunder and the financing of the Project: (a) the Indenture and the Loan Agreement and any supplement thereto required in connection with the issuance of the Bonds; (b) the Bond Purchase Agreement; and (c) any other document to which the Authority is a party and which is required in connection with the financing of the Project, and any documents required in connection with the refunding of the 2010A Bonds and the satisfaction and discharge of the trust indenture pursuant to which they were issued; all in such form as shall be acceptable to Co-Bond Counsel, the Attorney General of the Commonwealth, the Office of General Counsel and Authority Counsel and as shall be approved by the Executive Director of the Authority or the Acting Executive Director of the Authority.

6. The President, the Vice President, the Executive Director and the Acting Executive Director of the Authority are, and each of them is, hereby authorized to execute, acknowledge and deliver in the name and on behalf of the Authority, and the Secretary and Assistant Secretary are, and each of them is, hereby authorized to attest and affix the official seal of the Authority to each of the aforesaid documents, if required. The execution of the aforesaid documents as hereinabove authorized shall be deemed to conclusively evidence the approval of the Authority of said documents.

7. Any preliminary official statement, any final official statement and any supplement thereto which may be used in connection with the offer and sale of the Bonds shall be in such form as shall be approved, solely as to and for purposes of distribution, by the Executive Director or the Acting Executive Director of the Authority with the advice of Co-Bond Counsel. The Executive Director or the Acting Executive Director is hereby authorized to deem final the

preliminary official statement, and execute, solely as to and for purposes of distribution, the final official statement in the name and on behalf of the Authority, and such execution by the Executive Director or the Acting Executive Director of the Authority shall constitute conclusive evidence of the Authority's approval, solely as to and for purposes of distribution, of such documents. The circulation and distribution of copies of any such documents in connection with the offer and sale of the Bonds is hereby authorized.

8. The Bank of New York Mellon Trust Company, N.A., is hereby appointed and authorized to act as Trustee under the Indenture in connection with the issuance of the Bonds. At the request of the College, after completing an RFP, the Office of General Counsel has appointed Stevens & Lee, P.C. and Turner Law, P.C. as Co-Bond Counsel for this issue.

9. The appropriate officers of the Authority are hereby authorized to take such further action and to execute and deliver in the name and on behalf of the Authority any and all other documents and certificates, in addition to those specified above, as they shall deem necessary or advisable in connection with the issuance of the Bonds, the refunding of the 2010A Bonds and the implementation of this Resolution.

10. The Trustee shall be, by virtue of this Resolution and without further authorization from the Authority, authorized, directed and requested to invest and reinvest all moneys available therefor pursuant to the Indenture, which by the terms of such Indenture may be invested, or to deposit and redeposit such moneys in such accounts as may be permitted by the Indenture, all subject to the terms and limitations contained in the Indenture.

11. The appropriate officers of the Authority, including the President, the Vice President, the Executive Director and the Acting Executive Director are, and each of them is, hereby authorized to execute and deliver in the name and on behalf of the Authority such other documents and to take such other action as they shall deem necessary in order to effectuate the financing of the Project, including the execution and delivery of the Indenture, the Loan Agreement, the Bond Purchase Agreement; the distribution of a preliminary official statement, a final official statement and any supplement thereto, if applicable; the issuance and sale of the Bonds; and the refunding of the 2010A Bonds and the satisfaction and discharge of the trust indentures pursuant to which they were issued, all in accordance with this Resolution.

12. The appropriate officers of the Authority, including the President, the Vice President, the Executive Director and the Acting Executive Director are, and each of them is, hereby authorized to approve, and to execute and deliver any supplement, amendment or agreement (an "Amendment") providing for any amendment or other change to any trust indenture, loan agreement, bond, instrument or other document executed and delivered with respect to the financing of the Project (collectively, the "Bond Documents") requested by the College and approved by all other necessary parties, provided that (a) the officer executing the Amendment shall have determined that the Amendment will not adversely affect the Authority, such determination to be conclusively evidenced by such officer's execution of the Amendment and (b) the Authority shall have received an opinion of counsel in form and substance satisfactory to the Authority that (i) the Amendment is permitted under the Act and the Bond Documents, and

(ii) the Amendment will not adversely affect the excludability from gross income of interest on any tax-exempt Bonds for purposes of federal income taxation.

13. This Resolution shall take effect immediately upon its adoption, and all prior resolutions or parts thereof inconsistent herewith are hereby repealed to the extent of such inconsistencies.

Upon **MOTION** by **Ms. Pike-Nase**, and after full discussion, the above Resolution was unanimously approved at the PHEFA Board Meeting of July 18, 2019.

**EXHIBIT A  
BRYN MAWR COLLEGE REVENUE BONDS,  
SERIES 2019**

<u>Docket No.</u>	<u>College/Sponsor</u>	<u>Project Description</u>	<u>Maximum Amount to be Financed</u>
677	Bryn Mawr College	Financing of bonds for (a) the refunding of the 2010A Bonds and (b) the payment of all or a portion of the costs of the design, acquisition, construction, installation and equipping of (i) a new student life and wellness center on the College's campus; (ii) renovations and improvements to the Park Science complex; and (iii) various other capital renovations and improvements to the College's existing buildings and facilities.	\$37,000,000

**Term:** Up to 31 years.

**Rate:** Fixed; tax-exempt and/or taxable.

**Rating:** The bonds are expected to be rated. The College has a current rating of Aa2 from Moody's and AA from Standard & Poor's.

**Underwriter:** Wells Fargo Bank, National Association.

**Co-Bond Counsel:** After completing an RFP and at the request of the College, the Office of General Counsel appointed Stevens & Lee, P.C. and Turner Law, P.C. as Co-Bond Counsel for the Bonds.

**Minority or Veteran or Female Participation in this Financing:** McElwee & Quinn, a female-owned firm will serve as Printer and Turner Law, P.C. will act as Co-Bond Counsel.

**Trustee:** The Bank of New York Mellon Trust Company, N.A.

**Prevailing Wage:** The College will pay prevailing wages for the construction portion of the project.

Approved at the PHEFA Board Meeting of July 18, 2019.

## **5. APPROVAL OF PROJECTS (CONTINUED)**

### **B. Resolution Authorizing the Undertaking of a Project on Behalf of the State System of Higher Education**

Ms. Nawa explained that the State System of Higher Education has requested that we issue a maximum of \$101,000,000 in Revenue Bonds to finance the replacement of HVAC equipment in the Kehr Union Building at Bloomsburg University of Pennsylvania; the reimbursement of the cost of acquisition at West Chester University of Pennsylvania of three parking garages from the Borough of West Chester; and the refunding of all or a portion of our SSHE Revenue Bonds, Series AJ & AK of 2009.

The System has requested that the underwriting for the Bonds be put out for public bid. The Bank of New York Mellon Trust Company will serve as the Trustee and at the request of the System and after completing an RFP, the Office of General Counsel has appointed Kutak Rock and Turner Law as Co-Bond Counsel for this issue.

The Resolution in your agenda approves all of the actions necessary in connection with the issuance of the 2019 Bonds.

Representing the System to answer questions are Joel Snavely, Treasury Manager, Nilda Sather, Senior Treasury Accountant, and Susie Williamson, Attorney for SSHE.

Chairperson Heuer asked if Board Members had any questions or comments, and hearing none, he asked for a motion to approve the Resolution.

**RESOLUTION OF THE  
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY  
AUTHORIZING  
THE UNDERTAKING OF A PROJECT ON BEHALF OF  
THE STATE SYSTEM OF HIGHER EDUCATION  
SERIES AW OF 2019**

**DOCKET NO. 676**

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

1. The Pennsylvania Higher Educational Facilities Authority (the "Authority") shall undertake the financing of a project (the "Project") on behalf of the State System of Higher Education (the "System" or "SSHE") consisting of the (i) replacement of the Kehr Union Building HVAC equipment at Bloomsburg University of Pennsylvania; (ii) reimbursement to West Chester University of Pennsylvania of the cost of three parking garage acquisitions from the Borough of West Chester; (iii) refunding all or a portion of PHEFA's SSHE Revenue Bonds, Series AJ of 2009; (iv) refunding all or a portion of PHEFA's SSHE Revenue Bonds, Series AK of 2009; and (v) the financing of contingencies and payment of costs and expenses incident to the issuance of the Bonds; provided, however, that the Executive Director of the Authority, at the request of the System, shall have the power to add, delete or replace any component of the Project but only to the extent permitted by the Pennsylvania Higher Educational Facilities Authority Act of 1967, as amended, and the federal income tax laws from time to time in effect.

2. In order to finance the Project, the Authority will enter into one or more supplements to its existing Trust Indenture dated as of June 1, 1985 as heretofore supplemented (as so supplemented, collectively, the "Indenture") with The Bank of New York Mellon Trust Company, N.A. (heretofore successor trustee to Mellon Bank, N.A., Chase Manhattan Trust Company, National Association, and J.P. Morgan Trust Company, National Association) (the "Trustee") and shall issue up to \$101,000,000 in aggregate principal amount of taxable and/or tax-exempt bonds in one or more series (which may be issued on the same or different dates) to be designated "Pennsylvania Higher Educational Facilities Authority State System of Higher Education Revenue Bonds, Series of 2019" with an appropriate alphabetical series designation, commencing with the letter "AW", or a similar designation (the "Bonds"). The Bonds shall have a term not to exceed 30 years and shall bear interest at fixed or variable rates acceptable to the proper officers of the System, shall mature in such principal amounts and at such times, and shall be subject to redemption, all as approved by the Executive Director or Acting Executive Director (hereinafter, the "Executive Director") in consultation with the System and as further provided in the proposal or other purchase agreement hereinafter defined and described.

In the event the System requests that the Bonds of any series bear interest at a variable rate rather than a fixed-rate, the Executive Director is hereby authorized to approve the initial interest rate to be borne by such Bonds and the variable interest rate formula, if

any, to be used in determining interest due on the Bonds thereafter, and to appoint an indexing agent and/or remarketing agent and to take such other action as may be required in connection with a variable interest rate.

The Bonds shall be limited obligations of the Authority, payable only from payments made by the System under the Loan Agreement (defined herein). The Bonds shall be issued in such denominations and form(s) and with such terms as shall be set forth in the supplement to the Indenture authorizing the issuance of the Bonds (the "Supplemental Indenture") and approved by the Executive Director. The execution of the Bonds with the manual or facsimile signature of the President of the Authority together with the official seal or a facsimile of the official seal of the Authority and the attestation thereof by the manual or facsimile signature of the Secretary or Assistant Secretary is hereby authorized. The Executive Director is hereby authorized to deliver the Bonds to the Trustee under the Indenture for authentication, and to execute and deliver instructions to the Trustee to deliver the Bonds when so authenticated, on behalf of the Authority, to or upon the order of the purchaser thereof against receipt of the purchase price therefore together with any accrued interest, all in accordance with the requirements of the Indenture and/or any supplement thereto.

3. The proceeds from the sale of the Bonds shall be loaned to the System pursuant to the terms of one or more supplements (collectively, the "Supplemental Loan Agreement") to the Loan and Security Agreement between the Authority and the System dated as of June 1, 1985, as heretofore supplemented (as so supplemented, the "Loan Agreement"), and shall be applied by the System for and toward the costs of the Project including (a) the payment of all or a portion of the costs of issuance of the Bonds, including without limitation, printing and reproduction costs, fees and expenses of Co-Bond Counsel, the underwriter and the financial advisor of the System, fees and expenses of the Trustee, and administrative costs and expenses of the System and the Authority, all upon submission of the proper documentation thereof; (b) payment of the premium for a policy of municipal bond insurance or other credit enhancement or liquidity enhancement, if determined to be advantageous by the proper officers of the System; and (c) the funding of any required reserve fund and other funds established under the Indenture and the Supplemental Indenture.

4. The Executive Director is hereby authorized and directed in connection with the sale of any or all of the Bonds to advertise publicly for, or to solicit from and negotiate with the prospective purchaser or purchasers of the Bonds, proposals for the purchase of the Bonds and to sell and award the Bonds, or any portions thereof, to the purchaser or purchasers offering to purchase the Bonds at a purchase price representing the lowest true interest cost to the Authority if the Bonds are sold at public sale or on such terms and conditions as are approved by the Executive Director with the approval of the proper officers of the System if the Bonds are sold in a private sale. The bid specifications in the Public Invitation for Proposals shall specify that the successful underwriting syndicate must include minority or veteran or female participation at the co-manager level. The President, any Vice President or the Executive Director is hereby authorized and directed to deliver the Bonds to the purchaser or purchasers thereof, determined as provided above, and to execute and deliver all documents in connection therewith.

5. The use of the form of Official Invitation for Proposals and the form of Proposal, all with respect to the offering for sale of the Bonds, in the forms approved by the Executive Director with the advice of Co-Bond Counsel and Authority counsel, is hereby authorized and approved. The Executive Director is hereby authorized and directed to distribute such forms of Official Invitation for Proposals and Proposal among and to prospective purchasers of the Bonds.

6. The President, any Vice President or the Executive Director is hereby authorized, upon receipt of an acceptable Proposal for the purchase of any Series of the Bonds issued hereunder, or upon the private sale of the Bonds by negotiation, to enter into one or more purchase agreements for such purpose in accordance with the terms of this resolution and the President, any Vice President, the Secretary or any Assistant Secretary, or the Executive Director is hereby authorized to execute and deliver the particular purchase agreement or agreements on behalf of the Authority and to take such further action as he or she deems necessary or advisable to carry out the obligations of the Authority thereunder.

7. The Authority does hereby authorize the execution and delivery of the following documents relating to the issuance of Bonds of any series authorized hereunder and the financing of the Project: the Supplemental Indenture and the Supplemental Loan Agreement; any remarketing agreement and/or indexing agent agreement if any series of Bonds shall bear interest at a variable rate; an escrow deposit agreement in connection with the refunding of the refunded bonds; any insurance agreement (which shall be issued to the System as obligor to the insurer) or other agreement that may be required by the issuer of any municipal bond insurance policy or other credit enhancement for the Bonds, and any other document to which the Authority is a party and which is required in connection with the financing of the Project; all in such form as shall be acceptable to Co-Bond Counsel, the Office of General Counsel, the Attorney General of the Commonwealth and Authority Counsel and as shall be approved by the Executive Director.

8. The President, any Vice President or the Executive Director shall be, and each of them is hereby authorized to execute, acknowledge and deliver in the name of and on behalf of the Authority, and the Secretary or Assistant Secretary and each of them is hereby authorized to attest and affix the official seal of the Authority to each of the aforesaid documents. Such execution and attestation shall be deemed to conclusively evidence the approval of the Authority of said documents.

9. Any preliminary official statement and final official statement which may be used in connection with the offer and sale of the Bonds shall be in such form as shall be approved solely as to the Authority and, solely as to and for purposes of distribution by the Executive Director with the advice of Co-Bond Counsel. The Executive Director is hereby authorized to deem final as to the Authority and to deliver any such preliminary official statement and to execute and deliver and the final official statement in the name of and on behalf of the Authority, and such execution by the Executive Director shall constitute conclusive evidence of the Authority's approval, solely as to and for purposes of distribution of such documents. The circulation and distribution of copies of any such documents in connection with the placement or offering of the Bonds is hereby authorized.

10. The Bank of New York Mellon Trust Company, N.A., as successor Trustee to J.P. Morgan Trust Company, National Association, Pittsburgh, PA, as successor Trustee to Chase Manhattan Trust Company, National Association, and as successor trustee to Mellon Bank, N.A., shall be and is hereby authorized to act as Trustee under the Indenture in connection with the issuance of the Bonds. After completing an RFP and at the request of the System, the Office of General Counsel has appointed Kutak Rock, LLP and Turner Law, P.C., as Co-Bond Counsel for this issue.

11. The Trustee shall be, by virtue of this Resolution and without further authorization from the Authority, authorized, directed and requested to invest and reinvest all moneys available therefor pursuant to the Indenture, which by the terms of such Indenture may be invested, or to deposit and redeposit such moneys in such accounts as may be permitted by the Indenture, all subject to the terms and conditions set forth in the Indenture.

12. The appropriate officers of the Authority are hereby, severally, authorized to execute and deliver in the name and on behalf of the Authority such other documents and to take such other action as they shall deem necessary in order to effectuate the financing of the Project, the execution, delivery and receipt of the Indenture and the Loan Agreement, the distribution of a preliminary official statement and final official statement and the issuance and sale of the Bonds, all in accordance with these Resolutions.

13. The appropriate officers of the Authority, including the President, any Vice President and the Executive Director are, hereby, severally, authorized to approve, and to execute and deliver any supplement, amendment or agreement (an "Amendment") providing for any amendment or other change to any trust indenture, loan agreement, bond, instrument or other document executed and delivered with respect to the financing of the Project (collectively, the "Bond Documents") requested by the System and approved by all other necessary parties, provided that (a) the officer executing the Amendment shall have determined that the Amendment will not adversely affect the Authority, such determination to be conclusively evidenced by such officer's execution of the Amendment and (b) the Authority shall have received an opinion of counsel in form and substance satisfactory to the Authority that (i) the Amendment is permitted under the Act and the Bond Documents, and (ii) the Amendment will not adversely affect the excludability from gross income of interest on any tax-exempt Bonds for purposes of federal income taxation.

14. This Resolution shall take effect immediately upon its adoption, and all prior resolutions or parts thereof inconsistent herewith are hereby repealed to the extent of such inconsistencies.

Upon **MOTION** by **Ms. Pike-Nase**, and after full discussion, the above Resolution was unanimously approved at the PHEFA Board Meeting of July 18, 2019.

**EXHIBIT A  
STATE SYSTEM OF HIGHER EDUCATION  
SERIES AW OF 2019**

<b><u>Docket No.</u></b>	<b><u>Counties</u></b>	<b><u>Project Description</u></b>	<b><u>Maximum Amount to be Financed</u></b>
676	Various	the (i) replacement of the Kehr Union Building HVAC equipment at Bloomsburg University of Pennsylvania; (ii) reimbursement to West Chester University of Pennsylvania of the cost of three parking garage acquisitions from the Borough of West Chester; (iii) refunding all or a portion of PHEFA's SSHE Revenue Bonds, Series AJ of 2009; (iv) refunding all or a portion of PHEFA's SSHE Revenue Bonds, Series AK of 2009; and (v) the financing of contingencies and payment of costs and expenses incident to the issuance of the Bonds;	\$101,000,000

**Term:** Up to 30 years.

**Rate:** Variable or Fixed.

**Rating/Insurance:** Prior to the issuance, a determination will be made whether to obtain bond insurance. The System is rated Aa3 by Moody's and A+ by Fitch.

**Underwriter:** To be determined by Competitive Bid.

**Co-Bond Counsel:** After completing an RFP and at the request of the System, Kutak Rock, LLP and Turner Law, P.C., have been appointed Co-Bond Counsel by the Office of General Counsel.

**Trustee:** The Bank of New York Mellon Trust Company, N.A.

**Minority or Veteran or Female Participation in this Financing:** Bid specifications will be written to specify that the successful underwriting syndication must include minority or veteran or female participation at the co-manager level. McElwee & Quinn, a female-owned firm will serve as Printer and Turner Law, P.C., will act as Co-Bond Counsel.

Approved at the PHEFA Board Meeting of July 18, 2019.

## **Pennsylvania's State System of Higher Education Projects Background**

### **Bloomsburg University**

Bloomsburg University is seeking financing to supplement university reserves for the replacement of the heating, ventilation, and air conditioning (HVAC) system in the Kehr Student Union building. To complete this project, the university has asked to finance approximately \$3 million of the \$4.3 million HVAC replacement cost. The HVAC system in most of the building dates to the original 1970 construction. That equipment is well beyond its useful life, and the technology is severely outdated, resulting in frequent failures, costly repairs, and inconsistent temperatures. This upgrade will take advantage of energy savings opportunities from new technology and the university's cooling district plan, which uses existing chilled water production capabilities serving other nearby buildings. This project will be financed for 10 years.

### **West Chester University**

West Chester University is seeking reimbursement after having acquired three parking garages constructed on campus property using university reserves. The garages are located at Sharpless, New, and Matlack Streets in the Borough of West Chester and West Goshen Township. The three garages include a total of about 1,350 parking spaces. The university initially entered into agreements with the borough in 2003, and again in 2012, with the university leasing property to the borough in exchange for the design, construction, and management of the structures. The borough was interested in divesting from the arrangement and turning the garages over to the university at cost. The outstanding debt is approximately \$12.9 million. This project will be financed for 25 years.

### **Refunding Bonds**

Refunding all or a portion of PHEFA's SSHE Revenue Bonds, Series AJ of 2009. Current savings estimates are \$9.0 million on a net present value basis or 12.1%.

Refunding all or a portion of PHEFA's SSHE Revenue Bonds, Series AK of 2009. Current savings estimates are \$700,000 on a net present value basis or 8.1%.

## **6. OLD BUSINESS**

### **A. Project Update**

Ms. Nawa explained that at Christal's suggestion we did an e-mail blast. As a result of the e-mail blast we received a call from a financial advisor who wanted to meet with us to better understand the Authority. We explained the RFP process, our fees and how to go about issuing through us. It seemed to be a very productive meeting.

The University of Pennsylvania just requested bond counsel appointment from the OGC, so we are planning our next board meeting for Thursday, August 1st. The University is anxious to get into the market as quickly as possible.

### **B. Financing Out-of-State Facilities for Pennsylvania's Nonprofit Teaching Hospitals**

Chairperson Heuer told the Board that Bev and Dave learned that Thomas Jefferson University and the University of Pennsylvania Health System used local authorities to finance their recently acquired facilities in New Jersey. Authority Counsel provided a legal opinion stating that the Authority is empowered under the Act to finance projects for colleges with educational facilities located outside of the Commonwealth. The Office of General Counsel reviewed the legal opinion and has no objections to the Authority financing out-of-state facilities of Pennsylvania based colleges and universities. Christal worked to refine the parameters for out-of-state financings to include only teaching hospitals headquartered in Pennsylvania who have expanded their operations to surrounding states, creating regional facilities. He understands that it has been discussed for two or three meetings. He opened the floor for discussion.

Ms. Pike-Nase explained that this issue came up during the Audit Committee meeting and she thought that clarifying only to in state teaching hospitals would be easier for the Board to approve. In the future, if there are facilities that are not in state teaching hospitals, we could do another review of the issue. She commended both Bev and Dave for bringing up this issue because she believes it will expand our ability to be competitive. That is why the Department of the Auditor General and Treasury worked together to narrow the scope at this point in time.

Mr. Craig asked Ms. Pike-Nase if she thought that when a project is presented to the Board for consideration that is located outside Pennsylvania, does there have to be a finding or statement made that facilities outside the Commonwealth is expected to serve Commonwealth residents, either through service providing or through employment aspect.

Ms. Pike-Nase believed that would be very helpful. She believes that we must focus in on state teaching hospitals.

Mr. Craig said that he understands that, but wondered if a statement provided to the Board that this facility financed through a Commonwealth agency is still going to serve a Commonwealth function, by serving either Commonwealth residents or provide employment opportunities for Commonwealth residents. He asked if Ms. Pike-Nase thought that was necessary.

Ms. Pike-Nase thought it would be helpful for the teaching hospitals to provide the Board with some data as to whether there are in-state residents who would be close enough to use those services.

Mr. Craig was not recommending to amend the resolution today, but he wanted to make the record clear, this seems kind of easy if for example, UPMC wants to open up a campus in Cumberland, Maryland. What happens when the University of Pittsburgh wants to open up a campus in Dubai. He believes as we go forward there has to be some parameters. While it is important for us to be competitive, we better know our market and we better know what are the investment risks to the loan and financing that exists, when we start going beyond Pennsylvania and the region. He is not looking to slow this up, but for the record, this a slope that we are about ready to walk off.

Chairperson Heuer said that he thinks that there should be something stated about the correlation between Pennsylvania and this facility. He thinks it is a good idea to have parameters when looking at a deal like this.

Secretary Topper agreed. He mentioned that when he was at Georgetown, they had a campus in Qatar. The trend is toward consolidation and there is going to be more of this, not less in our market. He believes that it would be wise for us to be clear on what the limits of our market are. He tends to favor being as flexible as we can be. We should exercise due diligence here and where the risk profile is too great. Secretary Topper pointed out that the PHEFA statute does not talk about creating job opportunities.

Mr. Craig indicated that the statutes were created quite a long time ago. He guarantees that no one in the General Assembly thought that these two educational facilities were going to be used, potentially to facilitate new construction in Dubai. It is all great to be competitive, and he thinks that we should be, particularly for the fundamental core things, these statutes were not written for these types of activities. He thinks we should tread very cautiously because when something happens in Qatar or Dubai, we are going to have to explain ourselves.

Ms. Pike-Nase asked if the Resolution could be approved but include a where as for the next meeting.

Chairperson Heuer said that since we are planning to meet in two weeks, why don't we just get a paragraph in this and possibly adopt it at the next meeting. That

gives us two weeks to get a where as clause noting that it benefits Pennsylvania. Some correlation to jobs or the use of the facilities.

Chairperson Heuer asked if there was any other old business to come before the Board, and hearing none, he moved to new business.

## **7. NEW BUSINESS**

Chairperson Heuer asked if there was any new business to come before the Board, and hearing none, he asked for a motion to adjourn.

## **8. ADJOURNMENT**

There being no further business to come before the Board at this time, upon **MOTION** by **Mr. Cohn**, the PHEFA Board Meeting was adjourned at 11:07 a.m.

## **SUNSHINE ACT MEETING NOTICES - THURSDAY, JULY 4, 2019**

Please utilize the ADA contact name listed below if you need an accommodation due to a disability, to check on the meeting status during inclement weather, to inquire about phone/online participation options, etc. Dates listed at the end of a line indicate additional dates when the same meeting will be held at the same time and location (unless otherwise indicated).

State Civil Service Commission Hearing, 7/9/2019, 10 AM, Strawberry Square, Bowman Tower, 4th Fl., 320 Market St., Harrisburg, PA, Contact: Michele Whiting 717-783-8806

Newborn Screening and Follow-Up Technical Advisory Board Meeting, 7/11/2019, 10 AM, PA Dept. of Transportation Materials and Testing Laboratory, DGS Annex Complex 81 Lab Lane, Harrisburg, PA 17110, Contact: Stacey Gustin 717-783-8143

PA Apprenticeship and Training Council Meeting, 7/11/2019, 10 AM, Labor and Industry Bldg., 17th Fl., Rm. 1710, 651 Boas St., Harrisburg PA 17121, Contact: Eric Ramsay 717- 787-6997

PA Dept. of Transportation, State Transportation Innovation Council Business Meeting, 7/17/2019, 10 AM, PEMA Headquarters Bldg., Conf. Rm. 112 , 1310 Elmerton Ave., Harrisburg, PA, Contact: Anja Walker 717-425-6288, The STIC was created to facilitate the rapid deployment of innovative technologies, tactics, and techniques to expedite project delivery, reduce costs, and enhance public safety. Attendees are required to enter the bldg. at the Main Entrance, sign in and obtain a visitor's badge.

Special, State Public School Building Authority PA Higher Educational Facilities Authority Meeting, 7/18/2019, 10:30 AM, North Office Bldg., Rm. 515, Harrisburg, PA, Contact: Beverly Nawa 717-975-2204

Governor's Advisory Council on Library Development Quarterly Meeting, 7/23/2019, 10 AM, 103 Paterno Library Mann Assembly Rm., Penn State, State College, Contact: Cindy Heasley 717-787-2779

The Statewide Special Pharmaceutical Benefits Program (SPBP) Advisory Council Meeting, 7/25/2019, 10 AM, Health & Welfare Bldg., 625 Forster St., Harrisburg, PA 17120, Contact: John Haines 800-922-9384

Controlled Plant and Noxious Weed Committee Meeting, 7/25/2019, 1 PM, PA Dept. of Agriculture, Rm. 309, 2301 N Cameron St., Harrisburg PA 17110, Contact: Trilby Libhart 717-787-7204

The State Horse Racing Commission Meeting, 7/30/2019, 1 PM, Farm Show, Susquehanna Rm., 2300 N. Cameron St., Harrisburg, PA 17110, Contact: Michael Lebo 717-783-2320

Wild Resource Conservation Program Public Hearing Meeting, 9/11/2019, 10 AM, Rachel Carson Bldg., 6th Fl., Conf. Rm., 400 Market St., Harrisburg, PA, Contact: Jennifer Girton 717-787-3212

Appeared in: **Patriot-News** on Thursday, 07/04/2019

Appendix A

STATE PUBLIC SCHOOL BUILDING AUTHORITY  
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY  
Notice of the Meetings of the Board to be Held  
July 18, 2019

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The State Public School Building Authority and the Pennsylvania Higher Educational Facilities Authority Boards will meet on **Thursday, July 18, 2019**, at **10:30 a.m.**, in **Room 515 North Office Building, Harrisburg**. The meetings are to: (a) approve projects for financing; and (b) consider other matters as may properly come before the Board.

Please complete the attached response and return to me via e-mail.

Sincerely,

Beverly M. Nawa  
Acting Executive Director

\* \* \* \* \*

Appendix A

Harrisburg, PA

I CERTIFY that the notice on the previous page for the July 18, 2019, meeting was dispatched to the following on June 24, 2019, at the addresses indicated, constituting all of the members of the Board of the State Public School Building Authority.

Thomas W. Wolf, Governor of Pennsylvania  
225 Main Capitol, Harrisburg, PA  
Steven S. Heuer, Proxy for Governor Wolf  
333 Market Street - 18<sup>th</sup> Floor, Harrisburg, PA  
Wayne Langerholc Jr., Designated by the President Pro Tempore of the Senate  
187 Main Capitol, Harrisburg, PA  
Andrew E. Dinniman, Designated by the Minority Leader of the Senate  
182 Main Capitol, Harrisburg, PA  
Curtis G. Sonney, Designated by the Speaker of the House of Representatives  
214 Ryan Office Building, Harrisburg, PA  
Anthony M. DeLuca, Designated by the Minority Leader of the House of Representatives  
115 Irvis Office Building, Harrisburg, PA  
Joseph M. Torsella, State Treasurer  
129 Finance Building, Harrisburg, PA  
Eugene A. DePasquale, Auditor General  
229 Finance Building, Harrisburg, PA  
Curtis M. Topper, Secretary of General Services  
515 North Office Building, Harrisburg, PA  
Pedro A. Rivera, Secretary of Education  
333 Market Street - 10th Floor, Harrisburg, PA

GIVEN under my hand and seal this 24th day of June 2019.

Beverly M. Nawa

Acting Executive Director  
State Public School Building Authority  
Pennsylvania Higher Educational Facilities Authority