

Meeting of the Board
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
August 27, 2020
Meeting is by Conference Call
11:42 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. Approval of the Minutes of the Meeting of May 1, 2020
3. Approval of Projects
 - A. Resolution Authorizing the Undertaking of a Project on Behalf of the State System of Higher Education
4. Old Business
 - A. Executive Director's Update
5. New Business
6. Adjournment

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, August 27, 2020 at 11:42 a.m. prevailing time. The meeting was held by conference call, due to the Covid-19 pandemic and in accordance with the Governor's Declaration of a State of Emergency for the Commonwealth of Pennsylvania due to a public health emergency dated March 6, 2020. The proof of the Sunshine advertisement and certification regarding sending the notice of the meeting is attached to these minutes and identified as Appendix "A". It was noted that the meeting was being recorded.

Chairperson Heuer asked if there were any members of the public on the call. There were no members of the public on the call.

Board Members Participating by Conference Call

Steven Heuer, (Proxy for Governor Thomas W. Wolf)
Gwenn Dando, (Proxy for Senator Wayne Langerholc, Jr.)
Lisa Felix, (Proxy for Senator Andrew E. Dinniman)
Christine Seitz, (Proxy for Representative Curtis G. Sonney)
Alan Cohn, (Proxy for Representative Anthony M. DeLuca)
Jennifer Langan, (Proxy for Treasurer Joseph M. Torsella)
Secretary of General Services Curtis M. Topper

Board Members Absent

Auditor General Eugene A. DePasquale
Secretary of Education Pedro A. Rivera

Authority Personnel Participating by Conference Call

Eric Gutshall, Executive Director
Beverly Nawa, Director of Operations
David Player, Comptroller

Also Participating by Conference Call

William McCarty, Authority Counsel, Barley Snyder LLP
Nilda Sather, Treasurer, Pennsylvania State System of Higher Education (SSHE)
Suzanne Williamson, Counsel, SSHE
Lois Johnson, Associate Vice Chancellor, Administration & Finance, SSHE

2. APPROVAL OF THE MINUTES OF THE MEETING OF MAY 1, 2020

A copy of the minutes of the meeting of May 1, 2020, 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 May 1, 2020, be and hereby are approved as presented.

Upon **MOTION** by **Secretary Topper**, and after full discussion, the above Resolution was unanimously approved at the PHEFA Board Meeting of August 27, 2020.

3. APPROVAL OF PROJECTS

A. Resolution Authorizing the Undertaking of a Project on Behalf of the State System of Higher Education

Mr. Gutshall explained that the State System of Higher Education (the System) has requested that we issue a maximum of \$80,000,000 in Revenue Bonds to finance the refunding of all or a portion of our Series AM of 2011.

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

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

Representing the System on the call are Lois Johnson, Associate Vice Chancellor for Administration and Finance, Nilda Sather, Treasurer and Suzanne Williamson, Legal Counsel.

Chairperson Heuer asked if board members had any questions.

Secretary Topper asked how much the System expects to save.

Ms. Sather said that they expect to save \$9.4 million.

Chairperson Heuer asked if the board had any other comments or questions, and hearing none, he asked for a motion to approve the project.

**RESOLUTION OF THE
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
AUTHORIZING
THE UNDERTAKING OF A PROJECT ON BEHALF OF
THE STATE SYSTEM OF HIGHER EDUCATION
SERIES AY OF 2020**

DOCKET NO. 683

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Pennsylvania Higher Educational Facilities Authority (“PHEFA” or 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) refunding all or a portion of PHEFA’s SSHE Revenue Bonds, Series AM 2011; and (ii) 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, (hereinafter, the “Executive Director”) 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 applicable federal income tax laws 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 \$80,000,000 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 Refunding Revenue Bonds, Series of 2020" with an appropriate alphabetical series designation, commencing with the letter “AY”, 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 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 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 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 Ballard Spahr 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 **Secretary Topper**, and after full discussion, the above Resolution was unanimously approved at the PHEFA Board Meeting of August 27, 2020.

**EXHIBIT A
STATE SYSTEM OF HIGHER EDUCATION
SERIES AY OF 2020**

<u>Docket No.</u>	<u>Counties</u>	<u>Project Description</u>	<u>Maximum Amount to be Financed</u>
683	Various	the (i) refunding all or a portion of PHEFA's SSHE Revenue Bonds, Series AM of 2011: and (ii) the financing of contingencies and payment of costs and expenses incident to the issuance of the Bonds;	\$80,000,000

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, Ballard Spahr 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 August 27, 2020.

4. OLD BUSINESS

A. Executive Director's Update

The minutes for the Executive Director's update are summarized more than the normal minutes due to the sensitive nature of the idea that was discussed.

Mr. Gutshall informed the board that we anticipate a project for Widener University this fall.

Mr. Gutshall presented an idea to the board concerning the future of the authorities. The board discussed the suggestion and Ms. Langan requested that Mr. Gutshall provide a memo explaining the mechanics. She also requested a legal memo from Mr. McCarty explaining under what authority this could be done. Other board members agreed with Ms. Langan that more information was needed.

It was concluded that two memos would be provided to the board before they consider moving forward.

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

5. NEW BUSINESS

Chairperson Heuer asked if there was any new business to come before the board.

Ms. Langan explained that we have the equivalent of intercept agreements on the PHEFA side with certain colleges. They are older but their purpose is to intercept appropriations. Recently one came up with Drexel. It was clear to her that the term appropriation is not being used correctly. She indicated that before any college come to Treasury, they must write down what money they are getting from the state. This could be provided in a spreadsheet. A college may be receiving money from the state that cannot be intercepted.

Chairperson Heuer thanked everyone and asked if there was any other new business to come before the board.

6. ADJOURNMENT

There being no further business to come before the Board at this time, and upon **MOTION** by **Secretary Topper**, the PHEFA Board Meeting was adjourned at 12:09 p.m.

SUNSHINE ACT MEETING NOTICES, THURSDAY, AUGUST 20, 2020

Note that due to Covid-19 the meetings below are virtual only. Please utilize the ADA contact name listed below if you need an accommodation due to a disability, to check on the meeting status, to inquire about phone/online participation options, etc. Meetings below may be recorded.

Special, Accessibility Advisory Board Meeting, 8/21/2020, 9 AM, Conf. Call: 1-267-332-8737, ID: 284211701, Contact: Cindy Holtry 717-783-4560

Special, DOH Health Research Advisory Committee Special Virtual Meeting, 8/24/2020, 11 AM, Conf. Call: 1-267-332-8737, Conf. ID: 612338865, Contact: Penny Harris 717-231-2825, ra-healthresearch@pa.gov

Rescheduled, PCCD, Sheriff and Deputy Sheriff Education and Training Board (SDSETB) Meeting, 8/25/2020, 9 AM, Conf. Call: 267-332-8737, Conf. ID: 554311288, Contact: Heather Hewitt 717-265-8730

DEP Climate Change Advisory Committee Meeting, 8/25/2020, 10 AM, Conf. Call: 1-415-655-0003, Access code:132 631 7289, Online:
<https://dep.webex.com/dep/onstage/g.php?MTID=e257fa77a92838313d1d95e2d4c95021d>. Submit questions/comments or to register 24 hours prior. Contact: Lindsay Byron 717-772-8951, lbyron@pa.gov.

Special, State Public School Building Authority, PA Higher Educational Facilities Authority Meeting, 8/27/2020, 11:30 AM, Conf. Call: 717-975-2216, or 888-852-3744, Access Code: 2846, Contact: Bev Nawa 717-975-2204

PA Wine Marketing & Research Program Board Meeting (Discussion of Round 5 ACT39 Grant funds FY 20/21), 9/1/2020, 10 AM, Conf. Call: 267-332-8737; Pin 232288964#, Contact: Char Riley 717-908-6180

PA Milk Marketing Board Meeting, 9/2/2020, 1 PM, No longer in person, Conf. Call: 267-332-8737, Conf ID: 168806399# - only , Contact: Carol Hardbarger 717-787-4194

PA Malt & Brewed Beverage Industry Promotion Program Board Meeting (Discussion of Round 5 ACT39 Grant funds FY20/21) Meeting, 9/15/2020, 9 AM, Conf. Call: 267-332-8737; Pin 416725644#, Contact: Char C. Riley 717-908-6180

Appeared in: **Patriot-News** on Thursday, 08/20/2020

STATE PUBLIC SCHOOL BUILDING AUTHORITY
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
Notice of the Meeting of the Board to be Held
August 27, 2020

The State Public School Building Authority and the Pennsylvania Higher Educational Facilities Authority Boards will meet on **Thursday, August 27, 2020**, at **11:30 a.m. by conference call**. The call-in number is (717) 975-2216 or (888) 852-3744 and the conference code is 2846. 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 Bev Nawa via e-mail.

Sincerely,

Eric Gutshall
Executive Director

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Appendix A

Harrisburg, PA

I CERTIFY that the notice on the previous page for the August 27, 2020, meeting was dispatched to the following on August 13, 2020, at the e-mail addresses indicated, constituting all of the members of the Board of the Pennsylvania Higher Educational Facilities Authority.

Steven S. Heuer, Proxy for Governor Wolf
stheuer@pa.gov

Wayne Langerholc Jr., Designated by the President Pro Tempore of the Senate
wlangerholc@pasen.gov

Andrew E. Dinniman, Designated by the Minority Leader of the Senate
andy@pasenate.com

Curtis G. Sonney, Designated by the Speaker of the House of Representatives
csonney@pahousegop.com

Anthony M. DeLuca, Designated by the Minority Leader of the House of Representatives
ldolfi@pahouse.net

Joseph M. Torsella, State Treasurer
hshaffer@patreasury.gov

Eugene A. DePasquale, Auditor General
plafoe@auditorgen.gov

Curtis M. Topper, Secretary of General Services
cutopper@pa.gov

Pedro A. Rivera, Secretary of Education
psherts@pa.gov

GIVEN under my hand and seal this 13th day of August 2020.

Eric Gutshall

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