

Meeting of the Board
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
May 19, 2021
Meeting is by Conference Call
11:11 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 March 18, 2021
3. Audit Committee Entrance Conference & Investment Policy Annual Review
4. Approval of Projects
 - A. Resolution Authorizing the Financing of a Project on Behalf of the State System of Higher Education
 - B. Resolution Authorizing the Financing of a Project on Behalf of Widener University, Inc.
5. Old Business
 - A. Executive Director's Update
6. New Business
7. 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 board members present, the meeting of the Pennsylvania Higher Educational Facilities Authority was called to order on Wednesday, May 19, 2021 at 11:11 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.

Members Participating by Conference Call

Steven Heuer, (Proxy for Governor Thomas W. Wolf)
Senator Scott Martin
Senator Lindsey M. Williams
Representative Napoleon J. Nelson
Christopher Craig, (Proxy for Treasurer Stacy Garrity)
Christal Pike-Nase, (Proxy for Auditor General Timothy L. DeFoor)
Secretary of General Services Curtis M. Topper
Patrick Lord, (Proxy for Acting Secretary of Education Noe Ortega)

Member Absent

Representative Curtis G. Sonney

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, Esquire, Authority Counsel, Barley Snyder LLP
Megan Winters, Chief of Staff, Senator Williams’ Office
Terry Trego, Chief of Staff, Senator Martin’s Office
Nilda Sather, Treasurer, State System of Higher Education
Molly Mercer, Chief Financial Officer, State System of Higher Education
Suzanne Williamson, Compliance Counsel, State System of Higher Education
Linda Gilbert, Associate Vice President for Administration & Finance, Widener University
Kevin Cunningham, Esquire, Ballard Spahr LLP
Andre C. Dasent, Esquire

2. APPROVAL OF THE MINUTES OF THE MEETING OF MARCH 18, 2021

A copy of the minutes of the meeting of March 18, 2021, 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 March 18, 2021, 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 May 19, 2021.

3. AUDIT COMMITTEE ENTRANCE CONFERENCE & INVESTMENT POLICY ANNUAL REVIEW

Chairperson Heuer explained that the audit committee had an entrance conference with the auditors on April 29, 2021 to discuss the upcoming audit. The meeting was held on Zoom. Chairperson Heuer asked Ms. Pike-Nase if she wanted to comment on the entrance conference.

Ms. Pike-Nase explained that on April 29th the audit committee conducted an entrance conference with our independent auditors, Maher Duessel, to review the financial statements and our investment policy. The Auditor General is the chair of the five-member committee and as noted earlier, Maher Duessel is the Authority's independent auditor and one of its principals, Jennifer CruverKibi participated in the conference. The conference went very well, with Jennifer reviewing the timing and approach of the audit, noting that they are using a hybrid virtual approach for the audit process. Maher Duessel will be starting field work the second week in August and expects the draft financials to be ready around August 23rd with the report being issued August 27th. Maher Duessel noted that there has been a delay for the upcoming GASB pronouncements because of the COVID situation. As we did last year, the committee did request that the auditors conduct an analysis of the projects, prior, current, and anticipated future projects and ways to improve the process. The committee did not make any changes to the investment policy as part of the annual review. As in prior years, Dave Player does a wonderful job working with the firm.

Chairperson Heuer thanked Ms. Pike-Nase for the overview.

Chairperson Heuer asked if board members had any questions, and hearing none, he moved to approval of projects.

4. 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 has requested that we issue a maximum of \$146,100,000 in Revenue Bonds to finance the acquisition of certain student housing at Millersville University from Student Service, Inc. The System has requested that the underwriting for the Bonds be procured via public bidding. Bid specifications will require that the successful underwriting syndicate include a minority, veteran or female-owned firm at the co-managing level. After completing an RFP and at the request of the System, the Office of General Counsel has appointed Ahmad Zaffarese as Bond Counsel and the Bank of New York Mellon Trust Company will serve as trustee for this issue. The Resolution in your agenda approves all actions necessary in connection with the issuance of the Bonds. Participating on the call from the System are Nilda Sather, Treasurer, Molly Mercer, Chief Financial Officer, and Suzanne Williamson, Compliance Counsel to answer board members' questions.

Chairperson Heuer asked if board members had any questions.

Mr. Craig asked if the System is one that is issuing debt.

Ms. Sather said that he was correct.

Mr. Craig mentioned that the System is acquiring it from Student Services, Inc. He asked if Student Services, Inc. is an affiliation, or a subsidiary associated with Millersville University.

Ms. Williamson explained that the System recognizes affiliated entities, nonprofit corporations that exist solely for the benefit of member universities and Student Services, Inc. is recognized as an affiliated entity of Millersville University. It was a public private partnership the housing is pursuant to a ground lease on land owned by the University.

Mr. Craig asked if the original capital project was financed through this Authority with Student Services, Inc. as the debtor.

Ms. Williamson said that the original project was financed through the East Hempfield Development Authority.

Mr. Craig said that the board is sometimes presented with debt issuances while it is for a State System University school it is not technically the State System that assumes the debt. Sometimes it is an affiliated entity of the University that assumes the debt. In this case this debt is to acquire facilities from Student Services, Inc. and the debt is being assumed by the State System. He asked if that was correct.

Ms. Williamson said that he was correct. All of the State System debt is held by the State System. Individual universities do not have authority to issue bond debt. Affiliated entities have come to the Authority for financing. In those cases, the debt would be the debt of the affiliated entity and not of the State System.

Mr. Craig asked when the System talks about consolidating three schools and three schools and the idea has been suggested that the General Assembly may or may not assume the debt that is associated with those three schools, would that anticipate assuming debt of affiliated entities like a Student Services, Inc.? He understands that it does not involve Millersville.

Ms. Mercer explained that there have been conversations with the General Assembly and other stake holders around looking for options for debt relief, for all or some of our universities that are working through their financial sustainability planning, at this stage of planning, the integrated entities would become one and all elements of the budgets of those integrated would be combined into one budget.

Mr. Craig said that even though the System is assuming the debt for this, the debt is being paid by future room fees paid by students.

Ms. Mercer said that he was correct.

Mr. Craig asked if the System put together any kind of projections for future room fees paid by students for the term of the debt?

Ms. Mercer answered that they had projections. She explained that historically these buildings at Millersville have experienced a very strong occupancy, normally in the high 90 percent, usually over 95%. These are overall healthy projects. Because of this transaction, the savings in interest and operating costs, they are able to pass along the savings to the students in the form of a 10% rate reduction, which is definitely a positive. Indicators for this fall, both on the deposits on the housing and enrollment overall, from the data they have, things look on track. She added a caveat that in times of Covid, there is always an uncertainty. Historically the housing program has done very well at Millersville.

Mr. Craig asked if the projection had been provided to the Authority?

Ms. Sather said that it had not been provided to the Authority.

Mr. Craig asked for it to be shared with the staff.

Mr. Craig asked if in doing that analysis, does the System see or anticipate any impact in the growth of remote learning impacting on campus student housing?

Ms. Williamson said in this case the answer is no. Millersville is planning for normal operations this fall with strong demand for traditional residential experiences

and they expect that to continue. This project overall has about 1,900 beds and in total there are near 5,000 beds with a good ratio of students to beds. Between the costs savings they are able to pass on to students, making the rates even more attractive, heading into fall they are comfortable with the interest they are seeing.

Senator Williams asked to receive the information that is going to be provided to the staff. She indicated that what is being said today is slightly different than what the Chancellor has been saying about the consolidation and the trends towards online and less residential and that it is not a problem for Millersville. She is concerned that there are two different stories from the System in that one is the residential is fine and one is that the residential is going away as a result of the consolidation.

Senator Martin said that he can speak to that as a member of the board of governors of the State System. There are institutions that are not sustainable and have been listed in the integration category versus those who are sustainable and have continued to show either moderate growth or even better growth in the case of West Chester or Slippery Rock. He believes that this is a cost driven thing as opposed to losing more kids to online learning. The biggest issue that the System faces is affordability. He provided the example of Mansfield, who is in severe decline. As soon as the SUNY System in New York decided that they could greatly undercut the price of the State System, we stopped getting all of the New York kids that were coming to Mansfield. They are looking to address sustainability on the cost side. How do we compete with those states that have targeted Pennsylvania because we are not affordable. They are looking at ways to reduce costs for students. This proposal is an opportunity for much better rates. It will still be revenues from dorm fees that pay off the debt and they are finding ways to cut costs to those students by 10%. As a board member, he wishes there were more institutions in the State System that were focused on reducing costs that would help reverse the trend in some of our institutions that are losing even more.

Senator Williams said that originally this debt was supposed to stay with Student Services, Inc. and the reason the State System is assuming it is to take advantage of the lower rates, is that correct?

Ms. Mercer said that was correct.

Mr. Craig asked how old the student housing was?

Ms. Mercer explained that these facilities were built in three phases between 2014 and 2016, which is relatively new housing.

Chairperson Heuer asked if board members had any other 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 AZ OF 2021**

DOCKET NO. 685

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) acquisition of certain student housing at Millersville University of Pennsylvania from Student Services, Inc.; 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 (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 applicable federal income tax laws in effect, if any.

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 \$146,100,000 in aggregate principal amount of federally taxable 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 2021" with an appropriate alphabetical series designation, commencing with the letter “AZ”, followed by the designation “Federally Taxable”, 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 signature of the President of the Authority, which may be provided in manual, facsimile or electronic form acceptable to Bond Counsel, together with the official seal, a facsimile or electronic version of the official seal of the Authority and the attestation thereof by the manual, facsimile or electronic 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 supplements 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 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 (via manual, facsimile and/or electronic means) 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 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 they deem necessary or advisable to carry out the obligations of the Authority thereunder.

7. The Authority hereby authorizes 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; 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 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 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, Pennsylvania, 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 Ahmad Zaffarese LLC as 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 this Resolution.

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 the Amendment is permitted under the Act and the Bond Documents.

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 **SECONDED** by **Representative Nelson**, and after full discussion, the above Resolution was unanimously approved at the PHEFA Board Meeting of May 19, 2021.

**EXHIBIT A
STATE SYSTEM OF HIGHER EDUCATION
SERIES AZ OF 2021**

<u>Docket No.</u>	<u>Counties</u>	<u>Project Description</u>	<u>Maximum Amount to be Financed</u>
685	Lancaster	the (i) acquisition of certain student housing at Millersville University from Student Services, Inc.; and (ii) the financing of contingencies and payment of costs and expenses incident to the issuance of the Bonds.	\$146,100,000

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.

Bond Counsel: After completing an RFP and at the request of the System, Ahmad Zaffarese LLC has been appointed 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 Ahmad Zaffarese LLC will act as Bond Counsel.

Approved at the PHEFA Board Meeting of May 19, 2021.

Pennsylvania's State System of Higher Education Projects Background

Millersville University

Millersville University desires to acquire three student residence halls on campus property, which will allow it to save approximately \$800 thousand in annual debt service (\$13 million net present value) over the life of the bond and reduce annual operating expenses by approximately \$200,000 in insurance costs. The university intends to take advantage of these savings by reducing the room rental rates by 10 percent while also increasing their lifecycle maintenance reserves. Source of funds for payment of debt service is from room fees.

4. APPROVAL OF PROJECTS (CONTINUED)

B. Resolution Authorizing the Undertaking of a Project on Behalf of Widener University, Inc.

Mr. Gutshall explained that Widener University has requested that we issue a maximum of \$83,375,000 in Revenue Bonds to finance the renovation of the Academic Center North building that will house the physical therapy, occupational therapy, speech-language pathology and physician's assistant programs; renovations of other campus locations for departments displaced or otherwise impacted by the Academic Center North renovation; the construction, reconstruction, renovation and/or equipping of additional facilities for University purposes at the University's campuses in Chester and Harrisburg. Proceeds will also be used for the advance refunding of all or a portion of the Authority's Revenue Bonds, Series of 2013 & 2013A. BofA Securities will act as underwriter. After completing an RFP and at the request of the University, the Office of General Counsel has appointed Ballard Spahr and Andre C. Dasent as co-bond counsel for this issue. The Resolution in your agenda approves all actions necessary in connection with the issuance of the Bonds. Joseph Baker, Senior Vice President for Administration & Finance, Linda Gilbert, Associate Vice President for Administration & Finance, Kevin Cunningham and Andre Dasent are participating to answer board members' questions.

Chairperson Heuer noted the agenda shows there is \$30,000,000 for construction and approximately \$50,000,000 for the refunding. He asked if that was correct.

Ms. Gilbert said that was correct.

Chairperson Heuer asked if board members had any questions.

Mr. Craig asked with regard to the \$30,000,000 in new debt, what is being pledged to repay that debt? What is the revenue stream that is being used.

Ms. Gilbert said that as mentioned in the introduction, the University has some new health sciences programs, some of which have already begun. Occupational therapy and speech language pathology are starting this summer and the tuition revenue for those programs will offset the bond costs.

Mr. Craig asked if it was strictly tuition revenue from those programs or is it general obligations of the University with the University paying a percentage of the revenue that is derived from student enrollment.

Mr. Cunningham explained that the Authority's obligations are limited obligations of course, but the obligations of Widener University under the loan agreement with the Authority are general obligations of Widener payable from all sources legally available to it. There are no restrictions on the particular source of funds that Widener may use to pay this debt.

Mr. Craig said that assuming that the largest source of revenue is tuition dollars, has the University conducted any projections as to tuition growth or enrollment growth or anything related to its revenue projections to meet the debt obligation.

Ms. Gilbert said that, as mentioned, the growth from these programs will generate more than enough to cover the debt obligations. As Kevin mentioned, other sources of revenue would be available.

Mr. Craig asked if the University has done projections on enrollment growth, could it, if it has not already, be shared with Authority staff?

Ms. Gilbert said that these programs have been running in person with the University's Covid protocol in place, but they do have a projection they can share. It shows enrollment growth and the revenue associated with it.

Chairperson Heuer asked what savings they are expecting on the refunding?

Ms. Gilbert said that their initial target was approximately 2.3% net present value savings. We are now looking at 4.6% net present value savings.

Ms. Pike-Nase asked for information about the renovations that they plan to do.

Ms. Gilbert indicated that the building currently houses their IT department and a math department which they are going to relocate. The renovation will include mechanical, roof and windows. The main feature of the building will be a gross anatomy lab for the health sciences program.

Chairperson Heuer asked if board members had any other 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
WIDENER UNIVERSITY, INC.**

DOCKET NO. 682

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 Widener University, Inc. (the “University”) consisting of one or more of the following components: (i) the renovation of the Academic Center North building that will house the physical therapy, occupational therapy, speech-language pathology and physician’s assistant programs; (ii) renovations of other campus locations for departments displaced or otherwise impacted by the Academic Center North renovation; (iii) the construction, re-construction, renovation and/or equipping of additional facilities for University purposes at the University’s campuses in Chester and Harrisburg, Pennsylvania; (iv) the advance refunding of all or a portion of the Authority’s Revenue Bonds, Series 2013 (Widener University) (the “2013 Bonds”); (v) the advance refunding of all or a portion of the Authority’s Revenue Bonds, Series 2013A (Widener University) (the “2013A Bonds”) for the use and benefit of the University and (vi) the funding of any necessary reserves and the payment of the costs of issuance of the Bonds (defined below); provided, however, that the Executive Director of the Authority, at the request of the University, 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 (the “Act”), and the Federal income tax laws from time to time in effect.

2. In order to finance the Project, the Authority will enter into a Trust Indenture or a supplement to the existing indenture (the “Indenture”) between the Authority and a trustee, as appointed by the University and approved by the Executive Director of the Authority (the “Trustee”) and shall issue up to \$83,375,000 in maximum aggregate principal amount of bonds in one or more tax-exempt or taxable series (which may be issued on the same or different dates) to be designated “Pennsylvania Higher Educational Facilities Authority Revenue Bonds, Series 2021 (Widener University)” with an appropriate series designation (the “Bonds”). The Bonds shall have a term not to exceed 35 years and shall bear interest at a fixed rate not to exceed 6.0% per annum or at variable rates, 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 University and further provided in the bond purchase agreement hereinafter defined and described.

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

4. The Bonds shall be limited obligations of the Authority, payable only from payments made by the University under the Loan Agreement (defined herein). The Bonds shall be issued in such denominations and form and with such terms as shall be set forth in the Indenture used in connection with the issuance of the Bonds and approved by the Executive Director of the Authority. 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 of the Authority is hereby authorized. The Executive Director of the Authority 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 together with any accrued interest, all in accordance with the requirements of the Indenture and/or any supplement thereof.

5. The proceeds from the sale of the Bonds shall be loaned to the University pursuant to the terms of a Loan Agreement or a supplement to the existing loan agreement between the Authority and the University (the "Loan Agreement"), and shall be applied by the University 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 bond counsel and the underwriter, fees and expenses of the Trustee, and administrative costs and expenses of the University and the Authority, all upon submission of the proper documentation thereof; (b) payment of the premium for a policy of municipal bond insurance and/or a reserve fund surety policy if determined to be advantageous by the University; and (c) the funding of funds established under the Indenture and any indenture supplemental thereto.

6. The Authority does hereby authorize the refunding of all or a portion of the 2013 Bonds and the 2013A Bonds, subject to market conditions as advised by the University and as approved by the Executive Director of the Authority. In connection with the refunding of the 2013 Bonds and the 2013A Bonds, the Authority is hereby authorized to enter into one or more escrow deposit agreements (the "Escrow Agreement") with the University and an escrow agent, as appointed by the University and approved by the Executive Director of the Authority.

7. The President, any Vice President or the Executive Director 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, 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, or the Executive Director of the Authority is hereby authorized to execute and deliver the particular 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.

8. The Authority does hereby authorize the execution and delivery of any of the following documents relating to the issuance of Bonds of any series authorized hereunder and the financing of the Project: the Indenture, the Loan Agreement and any additional supplements to the Indenture and the Loan Agreement required in connection with the issuance of the Bonds; any Bond Purchase Agreement, an Escrow Agreement or other agreement or instrument described in this Resolution; any additional remarketing agreement and/or indexing agent agreement if any series of Bonds shall bear interest at a variable rate; and any other document to which the Authority is a party and which is required in connection with the financing of the Project (collectively, the "Bond Documents"), all in such form as shall be acceptable to 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.

9. The appropriate officers of the Authority, including the President, the Vice President and the 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 Bond Documents requested by the University 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 the Bonds for purposes of federal income taxation.

10. The President, the Vice President or the Executive Director of the Authority, and each of them is hereby authorized to execute, acknowledge and deliver in the name 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. The execution of the aforesaid documents as hereinabove authorized shall be deemed to conclusively evidence the approval of the Authority of said documents.

11. Any preliminary official statement and/or 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 of the Authority with the advice of co-bond counsel. The Executive Director is hereby authorized to execute any such preliminary official statement and/or final official statement in the name and on behalf of the Authority, and such execution by the Executive Director of the Authority shall constitute conclusive evidence of the Authority's approval of such documents solely as to and

for purposes of distribution. The circulation and distribution of copies of any such documents in connection with the offer and sale of the Bonds is hereby authorized.

12. BofA Securities, Inc. is hereby appointed and authorized to act as underwriter. After completing a Request for Proposals and at the request of the University, the Office of General Counsel has appointed Andre Dasent, P.C. and Ballard Spahr LLP to act as Co-Bond Counsel.

13. 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 and the implementation of these Resolutions.

14. 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.

15. The appropriate officers of the Authority 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, the execution, delivery and receipt of the Indenture, the Loan Agreement, the Bond Purchase Agreement and the other documents referred to in Section 8, the distribution of a preliminary official statement and/or final official statement and the issuance and sale of the Bonds, all in accordance with these Resolutions.

16. 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 May 19, 2021.

EXHIBIT A

WIDENER UNIVERSITY, INC.

<u>Docket No.</u>	<u>Counties</u>	<u>Project Description</u>	<u>Maximum Amount to be Financed</u>
682	Delaware & Dauphin	The renovation of the Academic Center North building that will house the physical therapy, occupational therapy, speech-language pathology and physician's assistant programs; renovations of other campus locations for departments displaced or otherwise impacted by the Academic Center North renovation; and the construction, re-construction, renovation and/or equipping of additional facilities for University purposes;	\$30,000,000
		The refunding of all or a portion of this Authority's Revenue Bonds, Series 2013 (Widener University);	\$12,000,000
		The refunding of all or a portion of this Authority's Revenue Bonds, Series 2013A (Widener University); and	\$40,100,000
		The funding of any necessary reserves and the payment of the costs of issuance of the bonds.	\$1,275,000

Term: Up to 35 years

Rate: Fixed Rate not to exceed 6.0% per annum or Variable Rate.

Rating/Insurance: The University is currently rated BBB by Standard & Poor's and A- by Fitch, Inc. Prior to the issuance, a determination will be made whether to obtain bond insurance or other credit enhancement based on the underwriter's certification as to whether or not the present value of the debt service savings to be realized with bond insurance or other credit enhancement will exceed the present value of the premiums or fees to be paid to acquire bond insurance or other credit enhancement.

Underwriter: BofA Securities, Inc.

Bond Counsel: After completing a Request for Proposals and at the request of the University, the Office of General Counsel has appointed Ballard Spahr LLP and Andre Dasent, P.C. as Co-Bond Counsel.

Trustee: To be determined.

Minority and/or Female Participation in this Financing: Andre C. Dasent, P.C. will act as Co-Bond counsel for this transaction. Further participation is to be determined by the University in consultation with the Executive Director of the Authority.

Prevailing Wages: Prevailing wages will be paid in the construction portion of this Project.

Approved at the Authority Board Meeting of May 19, 2021.

5. OLD BUSINESS

A. Executive Director's Update

Mr. Gutshall explained that with the OGC's assistance, we completed an RFP for Authority counsel. The RFP was sent to all prequalified firms on the bond counsel list. We received five responses and after evaluating the responses, we chose Barley Snyder to continue as Authority counsel. Their new contract is for five years.

Mr. Craig asked how many debt issuances the Authority has issued so far this calendar year.

Ms. Nawa indicated that the Authority closed one project to the University of Pennsylvania Health System and they have these two additional projects.

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

6. 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.

7. ADJOURNMENT

There being no further business to come before the Board at this time, and upon **MOTION** by **Ms. Pike-Nase**, the PHEFA Board Meeting was adjourned at 11:40 a.m.

SUNSHINE ACT PUBLIC MEETING NOTICES, THURSDAY, MAY 6, 2021

Note that due to Covid-19 the meetings below are virtual only unless otherwise noted. 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, PFBC Fisheries and Hatcheries Committee Meeting, 5/10/2021, 9 AM, Mtg. can be viewed: <https://www.facebook.com/PAFishandBoat>. Public comments can be left from 5/6/21 - 8 AM to 5/7/21 - noon, 717-705-7846, Contact: Chad Whitaker 717-705-7851.

Cancelled, BPOA State Board of Auctioneer Examiners Meeting, 5/10/2021, 10:30 AM, Conf. Call: 1-408-418- 9388, Access code: 179 665 8551, Next mtg. 7/12/21, Contact: Theodore Stauffer 717-775-8147.

PDA/PA Wine Marketing and Research Board Meeting, 5/11/2021, 10 AM, *Cont*: Call: 1-267-332-8737, Access Code: 891 860 570#, Contact: Char Riley 717-908-6180.

EHB Rules Committee Meeting, 5/13/2021, 10 AM, Conf. Call: 888-204-5987, Access Code: 835 4494, Contact: Rich Finley 717-705-5957.

Governor's Advisory Council on Library Development Meeting, 5/13/2021, 9:30 AM, Conf. Call: 1-929-205- 6099, Access Code: 894 2482 0756, Passcode: 745 731, <https://tinyurl.com/fe9px8fj>, Contact: Cindy Heasley 717-787-2779.

Special, State Public School Building Authority & PA Higher Educational Facilities Authority Meeting, 5/19/2021, 11 AM, Conf. Call: 717-975-2216 or 888-852-3744, Access Code: 2846, Contact: Bev Nawa 717- 975-2204.

DEP, Citizens Advisory Council (CAC) Meeting, 5/19/2021, 1 PM, Conf. Call: 415-655-0003, Access Code:132 311 9116, Contact: Keith Salador 717-787-8171.

Environmental Quality Board (EQB) Meeting, 5/19/2021, 9 AM, Conf. Call: 1-415-655-0003, Access code: 132 819 4635, Contact: Jennifer Swan 717-783-8727. •

Special, DLI Prevailing Wage Appeals Board Meeting, 5/24/2021, 10 AM, Conf. Call: 267-332-8737, Access Code: 498 943 37, Contact: Gina Meckley 717-214-9300.

Appeared in: **Patriot-News** on Thursday, 05/06/2021

STATE PUBLIC SCHOOL BUILDING AUTHORITY
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
Notice of the Meetings of the Boards to be Held
May 19, 2021

The State Public School Building Authority and the Pennsylvania Higher Educational Facilities Authority Boards will meet on **Wednesday, May 19, 2021**, at **11:00 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

* * * * *

Appendix A

Harrisburg, PA

I CERTIFY that the notice on the previous page for the May 19, 2021, meetings was dispatched to the following on May 4, 2021, at the email 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

Scott Martin, Designated by the President Pro Tempore of the Senate
smartin@pasen.gov

Lindsey M. Williams, Designated by the Minority Leader of the Senate
lindsey.williams@pasenate.com

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

Napoleon J. Nelson, Designated by the Minority Leader of the House of Representatives
repnelson@pahouse.net

Stacy Garrity, State Treasurer
hshaffer@patreasury.gov

Timothy L. DeFoor, Auditor General
plafoe@paauditor.gov

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

Noe Ortega, Acting Secretary of Education
psherts@pa.gov

GIVEN under my hand and seal this 4th day of May 2021.

Eric Gutshall

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