

Meeting of the Board
STATE PUBLIC SCHOOL BUILDING AUTHORITY
August 4, 2022
Room 515 North Office Building
10:31 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 June 23, 2022
3. Financial Report for the Month of May 2022
4. Loan Fund
5. Approval of Projects
 - A. Resolution Authorizing the Undertaking of a Project on Behalf of Montgomery County Intermediate Unit No. 23.
6. Old Business
 - A. Executive Director's Update
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 board members present, the meeting of the State Public School Building Authority was called to order on Thursday, August 4, 2022, at 10:31 A.M. prevailing time, in room 515 North Office Building, Harrisburg, Pennsylvania. 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.

Board Members Present

Steven Heuer, (Proxy for Governor Thomas W. Wolf)
Jennifer Langan, (Proxy for Treasurer Stacy Garrity)
Christal Pike-Nase, (Proxy for Auditor General Timothy L. DeFoor)
Acting Secretary of General Services Joseph Lee

Board Members Participating by Conference Call

Terry Trego, (Proxy for Senator Martin)
Cheryl Kleiman, (Proxy for Senator Williams)
Christine Seitz, (Proxy for Representative Curtis G. Sonney)
Robert Tomaine, (Proxy for Acting Secretary of Education Eric Hagarty)

Members Absent

Representative Napoleon Nelson

Authority Personnel Present

Eric Gutshall, Executive Director
Jennifer Sheffield, Director of Operations
Kay Knepp, Senior Accountant

Also Present

William McCarty, Esquire, Authority Counsel, Barley Snyder LLP

Also Participating by Conference Call

Ellen Enters, Partner, Fox Rothschild LLP
Dave Player, SPSBA Comptroller & Director of Financial Management

2. APPROVAL OF THE MINUTES OF THE MEETING OF JUNE 23, 2022

A copy of the minutes of the meeting of June 23, 2022, 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 SPSBA meeting of June 23, 2022, 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 SPSBA Board Meeting of August 4, 2022.

3. FINANCIAL REPORT FOR THE MONTH OF MAY 2022

The Financial Report for the month of May 2022 was emailed to Board Members prior to this meeting.

It is recommended that consideration be given to the adoption of the following Resolution:

RESOLVED That the Financial Report of the State Public School Building Authority for the month of May 2022 as received by this Board, be accepted, and filed with the minutes of this meeting.

Upon **MOTION** by **Ms. Pike-Nase**, and after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of August 4, 2022.

4. LOAN FUND

Mr. Gutshall explained that as mentioned at the June Board Meeting, we have one pending loan to the Reading Area Community College for \$878,659 to finance bathroom renovations and plumbing upgrades in several buildings across campus, including the incorporation of touchless fixtures.

5. APPROVAL OF PROJECTS

A. Resolution Authorizing the Undertaking of a Project on Behalf of Montgomery County Intermediate Unit No. 23.

Mr. Gutshall said that the Montgomery County Intermediate Unit No. 23 (the "IU") has requested SPSBA to undertake, as a project: the acquisition, by acceptance of a deed, of title to property to be acquired for the benefit of the IU located at 375 Morris Road, Township of Upper Gwynedd, Montgomery County, Pennsylvania (the "Property"); and the leasing of the Property by the Authority to the IU.

The Property will be used by the IU for classroom use. The IU may not hold title to real estate used for classroom purposes. Transfer of title to SPSBA and leasing of the Property by SPSBA to the IU will permit classroom use of the Property.

No financing is being undertaken by the IU in connection with the project, nor is the Property the subject of any outstanding financing.

No monetary consideration shall be paid by SPSBA under the deed, and the IU shall bear all obligations with respect to the Property under the lease, as provided in SPSBA's common conduit leases. Liability for the property will remain with the IU pursuant to the terms of the Lease. The SPSBA Board unanimously approved a similar transaction for the MCIU in 2016.

Mr. Gutshall said that Mr. McCarty was at the meeting to answer any legal questions. And Ms. Enters, Fox Rothschild LLP, was on the conference call to talk about the current project and the project that was approved for MCIU in 2016.

Ms. Langan asked if this was consistent with what we did for Chester Upland School District or Philadelphia School District where they leased back the buildings.

Mr. McCarty said that those were a little different because they were actual financings with leases added in as part of the financing structure. But to the extent that it is a lease, it is similar, where title has been transferred in some cases, to the Authority.

Ms. Langan asked if the Authority has the right to take title to property.

Mr. McCarty said that the Authority has broad powers to acquire and also broad powers to lease.

Ms. Langan said that in general the Commonwealth Agencies don't have those powers and it is just DGS.

Mr. McCarty said that he believes that the MCIU came to the Authority because they presented something similar in 2016 which the Board approved.

Chairperson Heuer asked if there would be any day-to-day things that the Authority would be involved with, or if it is just this one transaction, and the Authority is done.

Mr. McCarty said that in the last transaction the IU already owned the property, but they wanted to convert its use to classroom use. The school code prevents the MCIU from using property that they own for classroom purposes since it is an intermediate unit. He doesn't know why but that is what the statute still requires. In this instance, they want the property acquired so that they can construct classroom facilities on it. The deed, directly from the Authority, is a warranty deed. There is title insurance that releases all of the indemnities and release of claims. All obligations

fall on the tenant just like all your other financing leases in various other financings transactions.

Chairperson Heuer asked if the term was open.

Ms. Enters, Fox Rothschild LLP, said that the term of the lease was 25 years.

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

**RESOLUTION OF THE
STATE PUBLIC SCHOOL BUILDING AUTHORITY
AUTHORIZING
AN ACQUISITION AND LEASING PROJECT
ON BEHALF OF
MONTGOMERY COUNTY INTERMEDIATE UNIT NO. 23**

DOCKET NO. 2417

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. Montgomery County Intermediate Unit, No. 23, Montgomery County, Pennsylvania (the "Intermediate Unit"), has requested the State Public School Building Authority (the "Authority") to undertake, as a project (the "Project"), pursuant to the State Public School Building Authority Act, as amended (the "Act"), of the Commonwealth of Pennsylvania: the acquisition, by acceptance of a deed (the "Deed") of transfer of fee simple title from ACTS Management Services, Inc., as grantor, to the Authority, as grantee, of a parcel of improved real estate (the "Property"), and located in the Township of Upper Gwynedd, Montgomery County, Pennsylvania, as described in Exhibit "A" attached to and made a part of this Resolution; and the lease of the Property by the Authority, as lessor, to the IU, as lessee, pursuant to an agreement of lease ("Lease"), to accommodate classroom use of the Property by the IU.

2. The Authority does hereby authorize the acceptance of the Deed and acquisition of the Property, the execution and delivery of the Lease and any other document to which the Authority is a party and which is required in connection with the acquisition and leasing of the Property in furtherance of the Project, which Deed, Lease and such documents (collectively, the "Documents") shall be in such form as shall be acceptable to the Attorney General of the Commonwealth of Pennsylvania, the Office of General Counsel, and Authority counsel and as shall be approved by the Executive Director of the Authority.

3. The President, any Vice President or the Executive Director of the Authority are each hereby authorized to execute and acknowledge and deliver the Documents, as appropriate, in the name and on behalf of the Authority, and the Secretary or any Assistant Secretary are each hereby authorized to attest and affix the official seal, as appropriate to the Documents. The execution of such authorized Documents shall be deemed to conclusively evidence the approval of the documents by the Authority.

4. 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 or certificates, in addition to the Documents, as they shall deem necessary or advisable in connection with the furtherance of the Project and the implementation of this Resolution.

5. The appropriate officers of the Authority, including the President, any Vice President and the Executive Director are each hereby authorized to approve, and to execute and deliver any supplement, amendment or agreement (an "Amendment") providing for any

amendment or other change to the Documents or other certificates, affidavits, documents executed and delivered in furtherance of the Project requested by the IU or the IU's title company 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 and (b) the Authority shall have received an opinion from counsel in form and substance satisfactory to the Authority that the Amendment is permitted under the Act and the Documents.

6. 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 **Ms. Langan** and after full discussion the above Resolution was unanimously approved at the SPSBA Board Meeting of August 4, 2022.

EXHIBIT A

Legal Description

ALL THAT CERTAIN tract or piece of ground, Situate in the Township of Upper Gwynedd, County of Montgomery and Commonwealth of Pennsylvania, in accordance with a plan prepared for ACTS, Inc., titled Record Plan, dated January 15, 1988, Project #187-19, prepared by Robert E. Blue, Consulting Engineers, Blue Bell, Pennsylvania, as follows, to wit:

BEGINNING at a point, said point being located along the bed of Morris Road, said point being Seven Hundred Five and twenty-seven one-hundredths feet Southeast of the center line intersection of Morris Road and West Point Pike; thence from the first mentioned point and place of beginning the following courses and distances to wit: North Thirty-seven degrees Forty-one minutes Twenty seconds East, crossing over the Easterly right-of-way line of Morris Road, Five Hundred Twenty-seven and eighty-three one-hundredths feet to a point, said point being the common corner between now or late Edward and Hanna Meyer, and now or late the R and R Company; thence along the common property line with the R and R Company, South Fifty-two degrees Twenty-six minutes Eight seconds East, Four Hundred Sixty-five feet to a point; thence South Thirty-seven degrees Forty-one minutes Twenty seconds West, Five Hundred Twenty-nine and five one-hundredths feet to a point, said point being located in the bed of Morris Road; thence along the bed of Morris Road North Fifty-two degrees Seventeen minutes Nine seconds West, Four Hundred Sixty-five feet to a point.

CONTAINING 5.64 acres more or less.

BEING Montgomery County Tax Parcel No. 56-00-05847-00-1

6. OLD BUSINESS

A. Executive Director's Update

Mr. Gutshall shared that as Chair of the Advocacy Committee for NAHEFFA, he went to Washington, D.C. to visit with members of the Finance Committees in both the House and the Senate to talk about advance refundings. He explained that our bonds have a certain date at which time they can be refunded for lower rates. Advance refunding would give another tool to allow our schools, colleges, and universities to refund earlier which would help them even more financially. However, advance refunding was taken away as a tool in 2017 by the U.S. Congress and President Trump. We are advocating that advance refunding comes back to allow our clients to have a financial advantage through this. We would also be able to issue more deals for our clients. From our conversations with the respective offices in the Finance Committees and the members of congress who are on the Municipal Finance Caucus, it sounds like there could be an opportunity to include advance refundings in a year end tax package. This will depend on what happens with the elections, retirements, et cetera. One of the issues that we encountered yesterday was the sad loss of Republican U.S. Congresswoman Jackie Walorski who is the Chair of the Municipal Finance Caucus. She is the member of congress who passed away in an awful car accident yesterday. She was one of the biggest advocates for advance refundings. We will have to see where the Municipal Finance Caucus members go from here. But we will continue our conversations. Our goal is to get more deals and to assist our educational institutions with more financial tools.

Mr. Gutshall thanked Ms. Langan for updating him on the prevailing wage guidance as we talked about at our previous Board Meeting. SPSBA/PHEFA are watching what occurs with the Ursinus Case with the Pennsylvania Prevailing Wage Appeals Board. It seems that the Commonwealth Court has given their ruling this morning, which sides with Ursinus, stating that they do not need to use prevailing wage in the bond deal that they did with the Montgomery County Higher Education and Health Authority. Mr. Gutshall doesn't know where the Pennsylvania Prevailing Wage Appeals Board will go from here. He said that they have multiple legal options moving forward. There will be implications for our Authorities, with prevailing wage and how we work, depending on whether they decide to take more legal action or not. We want to make ourselves more marketable than other local authorities across the state. It would be great to have individual discussions with Board Members about our next steps. Our hope is to attract more clients.

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, and upon **MOTION** by **Ms. Langan**, and **SECONDED** by **Ms. Pike-Nase**, the SPSBA Board Meeting was adjourned at 10:42 a.m.

SUNSHINE ACT PUBLIC MEETING NOTICES - Sunday, July 31, 2022

Please utilize the Contacts name/phone # listed in each notice for reasonable accommodation due to a disability; to check on the meeting status; to inquire about phone/online participation options; etc. Note: some mtgs. may be recorded.

DOH Organ Donation Advisory Committee Meeting, 8/4/2022, 10 AM, Conf. Call: 267-332-8737, Access Code: 552 930 708, Questions: 717-787-5876 or ra-dhorgandonation@pa.gov, Contact: Amy Flaherty 717-787-5876.

Rescheduled, State Public School Building Authority Board Meeting, 8/4/2022, 10:30 AM, 515 North Office Bldg., Rescheduled from 7/28/22, Contact: Jennifer Sheffield 717-975-2209.

Rescheduled, Board of Property Meeting, 8/4/2022, 2 PM, Conf. Call: 1-267-332-8737, Access Code: 314 428 001#, Link: <https://bit.ly/3OHnbvx>, Agenda/ADA Contact: Eileen Quinn 717-720-7465.

DOH Traumatic Brain Injury (TBI) Advisory Board Meeting, 8/5/2022, 10 AM, PA Training & Technical Assistance Network (PaTTAN), Dauphin Conf. Rm., 6340 Flank Dr., Hbg., PA, Mtg. Info./ADA Contact: website & Nicole Johnson 717-772-2763, nfjohnson@pa.gov.

OSIG-PA State Law Enforcement Citizen Advisory Commission Meeting, 8/5/2022, 10 AM, Pittsburgh City-County Bldg., 5th Fl. City Cncl. Chmbrs., 414 Grant St., Pittsburgh, PA 15219, Link: https://us02web.zoom.us/webinar/register/WN_ajythTrmQO-mPzGvHstKpg, Contact: Melissa Yerges 717-783-7794.

Appeared in: ***Patriot-News*** on Sunday, 07/31/2022

STATE PUBLIC SCHOOL BUILDING AUTHORITY
Notice of the Meeting of the Board to be Held
August 4, 2022

The State Public School Building Authority Board will meet on **Thursday, August 4, 2022**, 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 Jen Sheffield via e-mail.

Sincerely,

Eric Gutshall
Executive Director

* * * * *

Harrisburg, PA

I CERTIFY that the notice on the previous page for the August 4, 2022, meeting was dispatched to the following on July 28, 2022, at the addresses indicated, constituting all of the members of the Board of the State Public School Building 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

Joseph Lee, Acting Secretary of General Services
josephlee@pa.gov

Eric Hagarty, Acting Secretary of Education
karworley@pa.gov

GIVEN under my hand and seal this 28th day of July 2022.

Eric Gutshall

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