

Meeting of the Board  
**PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY**  
March 11, 2020  
**1035 Mumma Road, Suite 300**  
Wormleysburg, Pennsylvania  
11:55 a.m. Prevailing Time

MINUTES

1. Call to Order, Filing of Proof of Sunshine Notice and of Sending Notice of the Meeting, and Announcement of Quorum
2. Election of Officers for 2020
3. Affirmation of Executive Director
4. Approval of the Minutes of the Meeting of November 21, 2019
5. Approval of Projects
  - A. Resolution Authorizing the Undertaking of a Project on Behalf of the State System of Higher Education
6. Old Business
  - A. Executive Director's Update
7. New Business
8. 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 Wednesday, March 11, 2020 at 11:55 a.m. prevailing time, at 1035 Mumma Road, Wormleysburg, Pennsylvania. The proof of the Sunshine advertisement and certification in regard to sending the notice of the meeting is attached to these minutes and identified as Appendix "A". It was noted that the meeting was being recorded.

### **Board Members Present**

Steven Heuer, (Proxy for Governor Thomas W. Wolf)  
Lisa Felix, (Proxy for Senator Andrew E. Dinniman)  
Alaina Koltash, (Proxy for Representative Curtis G. Sonney)  
Alan Cohn, (Proxy for Representative Anthony M. DeLuca)  
Christopher Craig, (Proxy for Treasurer Joseph M. Torsella)  
Christal Pike-Nase, (Proxy for Auditor General Eugene A. DePasquale)  
Patrick Lord, (Proxy for Secretary of Education Pedro A. Rivera)

### **Board Member Participating by Conference Call**

Gwenn Dando, (Proxy for Senator Wayne Langerholc, Jr.)

### **Board Member Absent**

Secretary of General Services Curtis M. Topper

### **Authority Personnel Present**

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

### **Also Present**

William McCarty, Esquire, 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  
Rodney Akers, Deputy Chief Counsel, Pennsylvania Office of General Counsel

### **Participated by Conference Call**

Daniel Turner, Turner Law

Chairperson Heuer thanks board members for coming to the Authority office for the meeting. He explained that there would be a strategic planning session as part of the meetings.

Mr. Craig asked if Chairperson Heuer anticipated meetings being held at the Authority office in the future.

Chairperson Heuer indicated that this was a one-time thing.

Mr. Craig indicated that it is difficult for boards members who work in Harrisburg to come to the west shore for a meeting. It would be better to continue to hold the meetings in the North Office building or in Treasury if necessary.

Ms. Felix agreed with Mr. Craig.

Ms. Dando also agreed. She prefers to be at the meetings in person, but she had to participate by phone.

Mr. Cohn agreed that the meetings should be held in Harrisburg, but he did not want to belabor the point.

Chairperson Heuer understood their concerns.

## **2. ELECTION OF OFFICERS FOR 2020**

Chairperson Heuer explained that the officers of the Authority are elected at the first Board meeting of the year. Typically, the Governor serves as President of the Board and the three Vice Presidents are the two members of the Senate and the Speaker of the House or their designees. The Secretary is usually the Secretary of General Services and the Treasurer is normally the State Treasurer.

Chairperson Heuer recommended that Governor Wolf be elected President, Senators Langerholc and Dinniman and Representative Sonney as the Vice Presidents, Treasurer Torsella as the Treasurer and Secretary Topper as Secretary. He also recommended Eric Gutshall, Bev Nawa and Dave Player be elected Assistant Secretaries and Assistant Treasurers.

Chairperson Heuer opened the floor to nominations or a motion to elect the recommended officers.

In accordance with the PHEFA Bylaws, and upon **MOTION** by **Ms. Pike-Nase**, at the PHEFA Board Meeting of March 11, 2020, the following Officers were unanimously elected for a period of one year and until their respective successors shall have been duly elected and qualified or until they have ceased to be members of the Board:

a. President

Thomas W. Wolf

b. Vice President	Wayne Langerholc Jr.
Vice President	Andrew E. Dinniman
Vice President	Curtis G. Sonney
c. Secretary	Curtis M. Topper
d. Treasurer	Joseph M. Torsella
e. Assistant Secretary	Eric Gutshall
	Beverly M. Nawa
	David Player
f. Assistant Treasurer	Eric Gutshall
	Beverly M. Nawa
	David Player

### 3. AFFIRMATION OF EXECUTIVE DIRECTOR

Chairperson Heuer explained that the board would vote on the affirmation of Eric Gutshall as the Executive Director and his compensation.

Mr. Craig indicated that Treasury intended to vote for Mr. Gutshall as Executive Director. His concern relates to the authority of the board and their prerogative. He asked for an explanation of why someone was in the position of Executive Director and receiving a salary without being voted on by the board.

Chairperson Heuer explained that it was his understanding that in the past it was the Administration's discretion to appoint the Executive Director.

Mr. McCarty said that historically the Governor has proposed the Executive Director. The Acts then require that the board approve all officers and employees, including the Executive Director. He believes a more thorough communication should have occurred prior to the last meeting, so that it could be acted upon by the board.

Mr. Craig thought that it was pretty clear that this board has the authority. It is not a rubber stamp. It is constituted as a matter of law by the branch of government that is represented by four people around this table and signed by Steve's branch of government. The law is clear. All actions are to be done by the board and that includes the selection of employees and the compensation. We have had an individual who has been the Executive Director for a little over two months collecting the salary that we are going to vote on. This is not personal, but when he raised these questions, they were blown off and it is clear based on what Mr. McCarty said and his reading it is a violation. It is an Act without authority. It is troubling to Mr. Craig because it is another example of the board becoming a rubber

stamp. Mr. Craig believes that the board has significant fiduciary responsibilities and it was an affront to the board's authority. Mr. Craig asked for this to be memorialized clearly in the minutes so that it is not forgotten. Mr. Gutshall was acting without authority. Was acting without power. If someone really wanted to be nasty, they would go back and ask for a copy of all the things that were signed by him and call it into question. Mr. Craig wants this to be an important lesson learned so that it is not repeated. Either this board exists for a reason or it doesn't. He is comfortable with either answer. If we are going to have a board and devote our time and attention to it, then we should be a true independent board and not have our authority usurped.

Ms. Felix agreed with Mr. Craig. She fears that years from now they will have another Executive Director, and everyone will say that well in the past this is what happened with Mr. Gutshall. If we are moving away from being an independent board, that has to be dealt with. She agreed that it should be memorialized.

Ms. Pike-Nase said that her department agrees as well. She did a very in-depth review of the board's purposes and general powers and it is very clear that they have much more power than they are using. Over the years, they have gotten away from it and it is very important for Mr. Gutshall to support the board and make sure these provisions are being utilized appropriately. She said that they were not questioning Mr. Gutshall's position. There are some very explicit provisions that they are not utilizing. She said that under the Commonwealth Attorneys Act, it provides for the Governor to ensure that all legal counsel of all boards, commissions and authorities are appointed. This is different because they are talking about an officer of the board. She said that Ms. Felix made a good point and that next time they are fully cognizant of what must be done. There might be some documents that were signed that could be called into question.

Ms. Felix said that they don't even know what was signed and they are ratifying it.

Ms. Koltash said that they are approving the compensation, but it has been set months ago. They are just ratifying and not getting an opportunity to weigh in. It is obviously a high compensation for a government official. They are all proxies and this could come back on our bosses. Having more of an input would be helpful.

Ms. Dando agreed with everything being said. In addition, she didn't see any notice of his salary. She would like to make sure that fiscally the Authority can afford it.

Mr. Craig said that he is willing to appoint Mr. Gutshall as Executive Director today, but he wants the record to reflect his appointment is at the recommendation of the Governor's office. Based on some of the concerns, he suggested that the salary should continue to be paid at the current rate and that the ratification might be better done at the next meeting after the salary is disclosed to all of the members. Mr. Craig does not blame the Chairman. He understands that things happen, but as Christal said, it presents a legal challenge. If someone was not acting in the best interest of the Authority, the republican and democratic legislative proxies have always acted in a nonpartisan manner and in the

interest of the Authority, but someone could have torn this apart and it would be a very unhappy budget hearing on this issue.

Chairperson Heuer said the Mr. Craig had valid points. He recommended that they affirm the appointment and the salary will be sent out so that everyone can discuss it with their bosses. Then they can discuss it at the next meeting. He knows that it is less than what the prior executive director made.

Mr. Craig suggested something be put together to send to the members so that everyone can be comfortable with the decisions that they make. If he was a member of the General Assembly and he was up for reelection, he would want to know that his decision was well founded.

Ms. Dando asked that their packet include the current cash flow and the financial statements for the authorities too, so that they understand that they can afford it. Since there were only a few deals this past year and the push for the early retirement has her boss concerned.

Chairman Heuer reiterated that a packet will be put together and will be sent to all the board members and they will discuss the compensation at the next meeting.

Chairperson Heuer asked that they appoint Eric now and discuss compensation at the next meeting.

Upon **MOTION** by **Ms. Pike-Nase**, at the PHEFA Board Meeting of March 11, 2020, Eric Gutshall was unanimously approved by the board as the Pennsylvania Higher Educational Facilities Authority's Executive Director.

Mr. McCarty suggested that included in the packet of information to the board that there be a list of all of the action that he has taken in his capacity as Executive Director. He was not sure if Mr. Gutshall had signed anything to date.

Mr. Gutshall indicated that he had signed financing documents for Westmoreland County Community College and Allegheny County Community College.

Mr. Craig suggested that as part of the vote they include the ratification of those transactions as executed by Mr. Gutshall as Executive Director.

Upon **MOTION** by **Ms. Pike-Nase**, at the PHEFA Board Meeting of March 11, 2020, the board unanimously ratified the financing documents signed by Mr. Gutshall acting as Executive Director of the Pennsylvania Higher Educational Facilities Authority

Chairperson Heuer thanked the board for the important discussion.

#### **4. APPROVAL OF THE MINUTES OF THE MEETING OF NOVEMBER 21, 2019**

A copy of the minutes of the meeting of November 21, 2019, was distributed to the Board Members prior to this meeting. It is therefore recommended that consideration be given to the adoption of the following Resolution:

RESOLVED That the minutes of the PHEFA meeting of November 21, 2019, be and hereby are approved as presented.

Upon **MOTION** by Ms. Pike-Nase, and after full discussion, the above Resolution was unanimously approved at the PHEFA Board Meeting of March 11, 2020.

#### **5. 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 \$124,000,000 in Revenue Bonds to finance the acquisition of two student residence halls at East Stroudsburg University of Pennsylvania from University Properties Inc. Proceeds will also be used to refund all or a portion of our Series AH of 2008; Series AJ of 2009; and Series AL of 2010 Revenue Bonds.

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 of the actions necessary in connection with the issuance of the 2020 Bonds. Nilda Sather, Treasurer of the State System of Higher Education, is in attendance to answer board members' questions and Dan Turner, co-bond counsel is participating by conference call.

Mr. Craig asked for an explanation of the relationship between East Stroudsburg and University (ESU) and University Properties Inc. He also asked if there is an ownership of control.

Ms. Williams explained that University Properties Inc. is a recognized affiliated entity of ESU. Universities are able to recognize affiliated entities who are nonprofit corporations that exist solely for the benefit of the University. It is controlled by an independent board and was formed to do public private partnerships with the extent to housing and the University has determined that they can give a better deal to the students by refunding the financing and taking over the project.

Mr. Craig asked if the University can dissolve University Properties Inc.

Ms. Williamson said the University cannot dissolve it. If it started acting outside the best interests of the University, they would involve the Attorney General's Office of Corporate Charitable Division to act under those sections.

Ms. Williamson explained the UPI owns the building and the land that it is built on is ground leased to them from the University. When UPI no longer holds title to the building it comes back to the University.

Chairperson asked when they plan to go to market.

Ms. Sather said that they plan to price on April 30<sup>th</sup>.

Ms. Pike-Nase asked if the State System has to come to our Authority or could they go elsewhere.

Ms. Sather said that there are other options, but they choose to come to PHEFA.

Hearing no other questions, Chairperson Heuer 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 AX OF 2020**

**DOCKET NO. 680**

**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 East Stroudsburg University of Pennsylvania from University Properties Incorporated; (ii) refunding all or a portion of PHEFA’s SSHE Revenue Bonds, Series AH of 2008, Series AJ of 2009 and Series AL of 2010; and (iii) the financing of contingencies and payment of costs and expenses incident to the issuance of the Bonds; provided, however, that the Executive Director of the Authority, at the request of the System, shall have the power to add, delete or replace any component of the Project but only to the extent permitted by the Pennsylvania Higher Educational Facilities Authority Act of 1967, as amended, and the 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 \$124,000,000 in aggregate principal amount of taxable and/or tax-exempt bonds in one or more series (which may be issued on the same or different dates) to be designated "Pennsylvania Higher Educational Facilities Authority State System of Higher Education Revenue Bonds, Series of 2020" with an appropriate alphabetical series designation, commencing with the letter “AX”, 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 (hereinafter, the “Executive Director”) in consultation with the System and as further provided in the proposal or other purchase agreement hereinafter defined and described.

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

agent and/or remarketing agent and to take such other action as may be required in connection with a variable interest rate.

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

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

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

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

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

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

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

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

10. The Bank of New York Mellon Trust Company, N.A. as successor Trustee to J.P. Morgan Trust Company, National Association, Pittsburgh, PA, as successor Trustee to Chase Manhattan Trust Company, National Association, and as successor trustee to Mellon Bank, N.A., shall be and is hereby authorized to act as Trustee under the Indenture in connection with the issuance of the Bonds. After completing an RFP and at the request of the System, the Office of General Counsel has appointed 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 **Ms. Pike-Nase**, and after full discussion, the above Resolution was unanimously approved at the PHEFA Board Meeting of March 11, 2020.

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

<b><u>Docket No.</u></b>	<b><u>Counties</u></b>	<b><u>Project Description</u></b>	<b><u>Maximum Amount to be Financed</u></b>
680	Various	the (i) acquisition of certain student housing at East Stroudsburg University of Pennsylvania from University Properties Incorporated; (ii) refunding all or a portion of PHEFA's SSHE Revenue Bonds, Series AH of 2008, Series AJ of 2009, and Series AL of 2010; (iii) the financing of contingencies and payment of costs and expenses incident to the issuance of the Bonds;	\$124,000,000

**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, 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 March 11, 2020.

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

### **East Stroudsburg University**

East Stroudsburg University desires to acquire two student residence halls on campus property, which will allow it to save approximately \$1.2 million in annual debt service (\$18.1 million net present value) over the life of the bond and reduce annual operating expenses by approximately \$300,000 (such as reduction in bond covenants and insurance). The university froze room rental rates last year and the finance and operating cost reductions will allow them to provide scholarships and to continue to mitigate room rental rates while increasing their lifecycle maintenance reserves. These residence halls are performing well with fall 2019 occupancy at 99 percent. The source of funds for payment of debt service is from room fees.

### **Refunding Bonds**

Refunding all or a portion of PHEFA's SSHE Revenue Bonds, Series AH of 2008, Series AJ of 2009, and Series AL of 2010. Current savings estimates are \$9.8 million on a net present value basis or 17.4%.

The board meeting was recessed for approximately 30 minutes.

### **Strategic Planning Session**

The minutes for the strategic planning portion of this meeting are summarized more than the normal minutes due to the sensitive nature of the items discussed.

A discussion was held about the loss of business that both authorities have seen over several years and the concerns of board members about this loss. The RFP process for bond counsel selection was also discussed. Some board members do not believe that the authorities should be mandated to follow this process because the authorities' clients are paying the bond counsel fee, not the Commonwealth and the clients are not Commonwealth agencies. Staff provided insight as to why they believe business has declined and the steps that have been taken to work within the limitations placed upon the authorities. A suggestion was made to modernize the statutes that created the authorities. Board members want to obtain a better understanding of the barriers entities issuing through the authorities face.

Board members requested the following information from staff:

- Comprehensive recovery plan
- Competitor value advantages
- SWOT Assessment (strengths, weaknesses, opportunities and threats)
- Bond deal history for the past 12 years
- Inquiry with clients to make certain the reason they are not coming to the Authority is the RFP process for the selection of bond counsel

Board members also requested that the OGC provide information about other non-Commonwealth agencies that follow the RFP process for outside counsel selection.

It was decided that the board would meet informally when the requested information is available for discussion. No decisions would be made that this meeting. Mr. Gutshall will contact Chairperson Heuer when information is compiled and is worthy of sitting down and discussing. A meeting will then be arranged. Mr. Gutshall asked board members to email him any other questions that they have.

## **6. OLD BUSINESS**

### **Executive Director's Update**

Mr. Gutshall mentioned that Drexel University is planning to issue bonds through the Authority. We will probably hold an April meeting for this project.

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 adjournment.

## **8. ADJOURNMENT**

There being no further business to come before the Board at this time, and upon **MOTION** by **Mr. Cohn**, the PHEFA Board Meeting was adjourned at 2:30 p.m.

## SUNSHINE ACT MEETING NOTICES - THURSDAY, MARCH 5, 2020

### SUNSHINE ACT MEETING NOTICES -

Thursday, March 5, 2020

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

Governor's Invasive Species Council Meeting, 3/10/2020, 10 AM, PA Fish and Boat Commission, Susquehanna Rm, 1601 Elmerton Ave., Harrisburg PA, Contact: Kristopher Abell 717-787-2227

Special, State Public School Building Authority, PA Higher Educational Facilities Authority Meeting, 3/11/2020, 11:30 AM, 1035 Mumma Rd., Suite 300, Wormleysburg, PA, Contact: Beverly Nawa 717-975-2204

Cancelled, BPOA, State Registration Board for Professional Engineers, Land Surveyors and Geologists Meeting, 3/11/2020, 9:30 AM, One Penn Center, 2601 N. 3rd St., Harrisburg PA, Contact: Theodore Stauffer 717-775-8147

State Civil Service Commission Hearing, 3/11/2020, 10 AM and 11 AM, Strawberry Sq. Bowman Tower, 4th Fl., 320 Market St. Harrisburg, PA, Contact: Michele Whiting 717-787- 3094

Environmental Hearing Board Rules Committee Meeting, 3/12/2020, 10:30 AM, Rachel Carson Bldg., 2nd Fl., Court Rm. 2, 400 Market St., Harrisburg, PA, Contact: Christine Walker 814-871-2573

Cancelled, Environmental Quality Board Meeting, 3/17/2020, 9 AM, Rachel Carson Bldg., 400 Market St., Rm. 105, Harrisburg, PA, Contact: Laura Edinger 717-783-8727

Rescheduled, BPOA, State Real Estate Commission Meeting, 3/18/2020, 11:00 AM, One Penn Center, Boardroom, 2601 N. 3rd St., Harrisburg PA, Contact: Theodore Stauffer 717- 775-8147, Meeting start time for this meeting and all future meetings changed to 11:00 AM

PA DOT, State Transportation Innovation Council Business Meeting, 3/19/2020, 9 AM, Best Western Premier, 800 E Park Dr, Harrisburg, PA 17111, Contact: Anja Walker 717-425-6288. The STIC was created to facilitate the rapid deployment of innovative technologies, tactics, and techniques to expedite project delivery, reduce costs, and enhance public safety.

Rescheduled, PSPC Commissioner Meeting, 3/23/2020, 8:30 AM, 333 Market St. Heritage Rm. A, Harrisburg PA, Contact: Kyle Shemory 717-787-6576, New time due to a speaker's attendance.

DEP Water Resources Advisory Committee Meeting, 3/26/2020, 9:30 AM, Rachel Carson Bldg., Rm. 105, 400 Market St., Harrisburg, PA, Contact: Heather Heenan 717-783-8732, Additional mtgs: 5/28/20, 7/29/20, 9/30/20, and 11/19/20.

Appeared in: *Patriot-News* on Thursday, 03/05/2020

Appendix A

STATE PUBLIC SCHOOL BUILDING AUTHORITY  
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY  
Notice of the Meetings of the Board to be Held  
March 11, 2020

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The State Public School Building Authority and the Pennsylvania Higher Educational Facilities Authority Boards will meet on **Wednesday, March 11, 2020**, at **11:30 a.m.**, at **1035 Mumma Road, Suite 300, Wormleysburg**. The meetings are to: (a) election of officers for 2020; (b) approve projects for financing; and (c) 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 March 11, 2020, meeting was dispatched to the following on February 27, 2020, at the addresses indicated, constituting all of the members of the Board of the Pennsylvania Higher Educational Facilities Authority.

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

GIVEN under my hand and seal this 27th day of February 2020.

Eric Gutshall

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