

Meeting of the Board
STATE PUBLIC SCHOOL BUILDING AUTHORITY

August 27, 2020

Meeting is by Conference Call

11:32 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 16, 2020
3. Financial Reports for the Months of May and June 2020
4. Revolving Loan Fund
5. Investment Activity
6. Approval of Projects
 - A. Resolution Authorizing the Undertaking of a Project on Behalf of Community College of Beaver County
7. Old Business
 - A. Executive Director's Update
8. New Business
9. 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 State Public School Building Authority was called to order on Thursday, August 27, 2020 at 11:32 a.m. prevailing time. The meeting was held by conference call, due to the Covid-19 pandemic and in accordance with the Governor's Declaration of a State of Emergency for the Commonwealth of Pennsylvania due to a public health emergency dated March 6, 2020. The proof of the Sunshine advertisement and certification regarding sending the notice of the meeting is attached to these minutes and identified as Appendix "A". It was noted that the meeting was being recorded.

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

Board Members Participating by Conference Call

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

Board Members Absent

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

Authority Personnel Participating by Conference Call

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

Also Participating by Conference Call

William McCarty, Authority Counsel, Barley Snyder LLP
Sean Garin, Bond Counsel, Dinsmore & Shohl LLP
John McShane of Boenning & Scattergood
Nilda Sather, Treasurer, Pennsylvania State System of Higher Education (SSHE)
Suzanne Williamson, Counsel, SSHE
Lois Johnson, Associate Vice Chancellor, Administration & Finance, SSHE

2. APPROVAL OF THE MINUTES OF THE MEETING OF JUNE 16, 2020

A copy of the minutes of the meeting of June 16, 2020, was distributed to the Board Members prior to this meeting. It is therefore recommended that consideration be given to the adoption of the following Resolution:

RESOLVED That the minutes of the SPSBA meeting of June 16, 2020, be and hereby are approved as presented.

Upon **MOTION** by **Ms. Langan**, and after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of August 27, 2020.

3. FINANCIAL REPORTS FOR THE MONTHS OF MAY AND JUNE 2020

The Financial Reports for the months of May and June 2020 were 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 Reports of the State Public School Building Authority for the months of May and June 2020 as received by this Board, be accepted and filed with the minutes of this meeting.

Upon **MOTION** by **Ms. Langan**, and after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of August 27, 2020.

4. REVOLVING LOAN FUND

Mr. Gutshall explained that we closed a loan to the Pennsylvania Highlands Community College for \$135,000. The funds will be used to purchase network and computer lab equipment upgrades. We closed a loan to the Admiral Peary Area Vocational-Technical School for \$936,000, for roof repair and replacement of HVAC units. We also closed a loan to the Community College of Allegheny County for \$947,000 to purchase computers. The Butler County Community College has requested a \$3,000,000 loan to start the building of the South End Campus Project, which includes a new Operations Building and the construction of a new Allied Health Science Building.

Chairperson Heuer asked if board members had any questions or comments on the revolving loan fund and, hearing none, he moved to investment activity.

5. INVESTMENT ACTIVITY

Mr. Gutshall explained that the Authority purchased an FDIC insured CD to maintain a laddered investment portfolio. Dave is available to answer questions.

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

6. APPROVAL OF PROJECTS

A. Resolution Authorizing the Undertaking of a Project on Behalf of Community College of Beaver County

Mr. Gutshall explained that the Community College of Beaver County has requested that we issue a maximum of \$6,000,000 in revenue bonds to finance the current refunding of the Pennsylvania Finance Authority's College Revenue Bonds, Series of 2015 and various other capital improvements to College facilities.

Boenning & Scattergood will serve as the underwriter and U.S. Bank will serve as the Trustee. After completing a Request for Proposal and at the request of the College, the Office of General Counsel has appointed Dinsmore & Shohl as Bond Counsel for this issue.

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

John McShane of Boenning & Scattergood and Sean Garin of Dinsmore & Shohl are on the call to answer board members' questions.

Chairperson Heuer asked if board members had any questions.

Ms. Langan asked about the credit rating of the college.

Mr. McShane explained that the college does not have an underlying credit rating. They will utilize bond insurance and bonds will be issued with an AA rating based on the rating of the insurance company. The only reason they do not have a credit rating is because they have not applied for one.

Ms. Felix asked if the fixed rate is known at this time.

Mr. McShane said that based on current market conditions, they expect the rating to be under 2% for the life of the issue.

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

**RESOLUTION OF THE
STATE PUBLIC SCHOOL BUILDING AUTHORITY
AUTHORIZING
THE UNDERTAKING OF A PROJECT ON BEHALF OF
COMMUNITY COLLEGE OF BEAVER COUNTY**

DOCKET NO. 2489

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The State Public School Building Authority (the "Authority") will undertake the financing of a project (the "Project") for Community College of Beaver County (the "College") consisting of (a) the current refunding of the Pennsylvania Finance Authority's College Revenue Bonds (Community College of Beaver County Project) Series of 2015 in the outstanding principal amount of \$4,710,000 (the "Prior Bonds"); (b) various capital improvements to College facilities; and (c) the payment of the costs and expenses of issuing and insuring the Bonds, by the issuance of the Authority's College Revenue Bonds (Community College of Beaver County Project) Series of 2020 in a principal amount not to exceed \$6,000,000 (the "2020 Bonds").

2. In order to finance the Project, the Authority will enter into a Trust Indenture (as subsequently defined) with the Trustee herein appointed, and will issue the 2020 Bonds in one series in an aggregate principal amount not to exceed \$6,000,000 to be designated as the "State Public School Building Authority College Revenue Bonds (Community College of Beaver County Project) Series of 2020." The 2020 Bonds will be issued as serial or term bonds and will have a final maturity on December 1, 2036, will bear interest at fixed rates acceptable to the College, and will be subject to redemption prior to their maturity dates as provided in the 2020 Bonds, all as approved by the Executive Director in consultation with the College, and as further provided in a bond purchase agreement, hereinafter described.

The 2020 Bonds will be issued in such denominations and form and with such terms as shall be set forth in a Trust Indenture between the Authority and the Trustee herein appointed to be dated as of the date of issuance of the 2020 Bonds, and approved by the Executive Director (the "Indenture"). The execution of the 2020 Bonds with the manual or facsimile signature of the Governor of the Commonwealth of Pennsylvania, the President or any Vice President of the Authority together with the official seal and the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority is hereby authorized. The Executive Director of the Authority is hereby authorized to deliver the 2020 Bonds to the Trustee under the Indenture for authentication, and to execute and deliver instructions to the Trustee to deliver the 2020 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.

3. The proceeds from the sale of the 2020 Bonds will be loaned to the College pursuant to the terms of a Loan Agreement between the Authority and the College (herein referred to as the "Loan Agreement"), and shall be applied by the College for and toward the

costs of the Project and the payment of the costs and expenses of issuing and insuring the 2020 Bonds.

4. The President, any Vice President or the Executive Director of the Authority is hereby authorized on behalf of the Authority to enter into a purchase agreement for the 2020 Bonds, in a form and with content acceptable to the Authority and the College (the "Bond Purchase Agreement"), pursuant to a private sale as requested by the College, for the purchase of the 2020 Bonds, issued 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 Bond Purchase Agreement on behalf of the Authority and to take such further action as he or she deems necessary or advisable to carry out the obligations of the Authority thereunder.

5. The Authority does hereby authorize the execution and delivery of the following documents relating to the issuance of the 2020 Bonds and the financing of the Project: an Indenture, a Loan Agreement, the Bond Purchase Agreement and any other document required in connection with the issuance of the 2020 Bonds and the refunding of the Prior Bonds and in connection with the financing of the Project (together, the "Authority 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.

6. 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 Authority Documents. The execution of the aforesaid documents as hereinabove authorized shall be deemed to conclusively evidence the approval by the Authority of the Authority Documents.

7. U.S. Bank National Association (or other Trustee acceptable to the College) (the "Trustee") shall be and hereby is authorized to act as Trustee under the Indenture in connection with the issuance of the 2020 Bonds. After completing a request for proposals and at the request of the College, the Office of General Counsel has appointed Dinsmore & Shohl LLP as Bond Counsel for this issuance.

8. 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, including a Tax Certificate or Agreement (the "Tax Certificate") in addition to those specified above, as they shall deem necessary or advisable in connection with the issuance of the 2020 Bonds, and the refunding of the Prior Bonds and the implementation of this Resolution.

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 other agreement providing for a trust indenture, loan agreement, bond, note, instrument or other document to be executed and delivered with respect to the financing of the Project or any amendment to an existing agreement

relating to a financing by the Authority for the College (collectively, the "Amendment") requested by the College and approved by all other necessary parties, provided that (a) the officer executing such 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 an 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 (ii) the Amendment will not adversely affect the excludability from gross income of interest on the 2020 Bonds for purposes of federal income taxation.

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

11. The appropriate officers of the Authority 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 or any Amendment, and the issuance and sale of the 2020 Bonds, all in accordance with this Resolution.

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

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

EXHIBIT A

COMMUNITY COLLEGE OF BEAVER COUNTY

<u>Docket No.</u>	<u>County</u>	<u>Project Description</u>	<u>Maximum Amount To be Financed</u>
2489	Beaver	Financing of the current refunding of the Pennsylvania Finance Authority's College Revenue Bonds (Community College of Beaver County Project) Series of 2015, various capital improvements and the payment of the costs and expenses of issuing and insuring the Bonds.	\$6,000,000

Maximum Term: 16 years

Interest Rate: Fixed or Variable at the time of issuance

Rating/Insurance: To Be Determined

Bond Counsel: After completing a Request for Proposal and at the request of the College, the Office of General Counsel appointed Dinsmore & Shohl LLP as the bond counsel.

Trustee: U.S. Bank National Association

Underwriter: Boenning & Scattergood, Inc.

Minority, Veteran and/or Female Participation in this Financing: To be determined by the College in consultation with the Executive Director of the Authority.

Approved at the SPSBA Board Meeting of August 27, 2020.

7. OLD BUSINESS

A. Executive Director's Update

Mr. Gutshall explained that we still expect to do a refunding project for the Northampton County Community College soon.

Chairperson Heuer asked if there is a time frame for the project.

Ms. Nawa indicated that they are planning to do the project in the fall.

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

8. NEW BUSINESS

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

Ms. Langan explained that it is important that if school districts that have intercept agreements need to make a change, such as a change in trustee, they should not send the request to Treasury and Education by mail. This happened recently and Treasury almost paid the wrong trustee. They must email Treasury and not depend on the physical mail.

Ms. Nawa said that in the future, she will make sure that they know to email Treasury.

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

9. ADJOURNMENT

There being no further business to come before the Board at this time, and upon **MOTION** by **Ms. Langan**, the SPSBA Board Meeting was adjourned at 11:42 a.m.

SUNSHINE ACT MEETING NOTICES, THURSDAY, AUGUST 20, 2020

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

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

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

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

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

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

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

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

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

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

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

The State Public School Building Authority and the Pennsylvania Higher Educational Facilities Authority Boards will meet on **Thursday, August 27, 2020**, at **11:30 a.m. by conference call**. The call-in number is (717) 975-2216 or (888) 852-3744 and the conference code is 2846. The meetings are to: (a) approve projects for financing; and (b) consider other matters as may properly come before the Board.

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

Sincerely,

Eric Gutshall
Executive Director

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Appendix A

Harrisburg, PA

I CERTIFY that the notice on the previous page for the August 27, 2020, meetings was dispatched to the following on August 13, 2020, 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

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

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

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

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

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

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

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

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

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

Eric Gutshall

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