

Meeting of the Board
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
February 10, 2022
1035 Mumma Road, Suite 300, Wormleysburg and Conference Call
1:14 p.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 2022
3. Approval of the Minutes of the Meeting of June 23, 2021
4. Audit Committee Report & Audit Charter
5. Old Business
 - A. Executive Director's Update
 - a. OGC Changes to Bond Counsel Selection Process
 - b. Office Lease/Move
 - c. OA/IT Services
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 Thursday, February 10, 2022 at 1:14 P.M. prevailing time. The meeting was held at the Authority office, 1035 Mumma Road, Wormleysburg and by conference call. 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)
Terry Trego, (Proxy for Senator Scott Martin)
Cheryl Kleiman, (Proxy for Senator Lindsey M. Williams)
Representative Napoleon J. Nelson
Jennifer Langan, (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 Secretary of Education Noe Ortega)

Members Absent

Representative Curtis G. Sonney

Authority Personnel Present

Eric Gutshall, Executive Director
Beverly Nawa, Director of Operations
David Player, Comptroller
Jennifer Sheffield, Accountant
Kay Knepp, Accountant

Also Participating by Conference Call

William McCarty, Esquire, Authority Counsel, Barley Snyder LLP

2. ELECTION OF OFFICERS FOR 2022

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 his or her 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 Martin and Williams and Representative Sonney as the Vice Presidents, Treasurer Garrity 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**, and **SECONDED** by **Representative Nelson**, and after full discussion, at the PHEFA Board Meeting of February 10, 2022, 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 | Scott Martin |
| Vice President | Lindsey M. Williams |
| Vice President | Curtis G. Sonney |
| c. Secretary | Curtis M. Topper |
| d. Treasurer | Stacy Garrity |
| e. Assistant Secretary | Eric Gutshall |
| | Beverly M. Nawa |
| | David Player |
| f. Assistant Treasurer | Eric Gutshall |
| | Beverly M. Nawa |
| | David Player |

3. APPROVAL OF THE MINUTES OF THE MEETING OF JUNE 23, 2021

A copy of the minutes of the meeting of June 23, 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 June 23, 2021, be and hereby are approved as presented.

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 February 10, 2022.

4. AUDIT COMMITTEE REPORT & AUDIT CHARTER

Chairperson Heuer said that the audit committee met on September 23rd to review the audited financials and the audit charter. Chairperson Heuer asked Ms. Pike-Nase, as chair of the Audit Committee, to provide any comments to the board.

Ms. Pike-Nase explained that the Audit Committee conducted a conference call by Zoom on Thursday, September 23, 2021, for the exit conference with our independent auditors to review the audited financial statements and audit charter. The Auditor General is the chair of the 5-member Committee. Maher Duessel is the Authority's independent auditor and one of its partners (Jennifer CruverKibi) participated in the conference call.

As in prior years, the Authority received an unmodified opinion, commonly known as a clean opinion. The Committee had no changes to the audit charter. Jennifer indicated that the Authority was very cooperative and well organized. She had good things to say about the staff, but in particular, Dave Player, the Comptroller. The Committee recommends that the Board accept the audited financial statements and the updated but unchanged audit charter.

Upon **MOTION** by **Secretary Topper**, and **SECONDED** by **Ms. Langan**, and after full discussion, the audited financial statements and the Audit Charter were unanimously accepted by the PHEFA Board at the Meeting of February 10, 2022.

5. OLD BUSINESS

A. Executive Director's Update

Mr. Gutshall provided the board with an update on recent actions to make the authorities more competitive, efficient, and fiscally responsible.

He explained a change to the RFP for bond counsel requirement. In 2015, the Governor's Office of General Counsel (OGC) implemented a requirement on the Authorities that made every school, career center, intermediate unit, community college, and public and private college and university issue an RFP for their bond counsel for every bond deal that was executed with the Authorities. The OGC RFP requirement was well intended but, as you know, we lost long standing clients and potential clients due to this change. Today, after working with OGC on this for years, we have implemented a new policy. This new policy went into effect last week. In addition to countless meetings and calls, the following actions were taken to get us to this point:

- The OGC, the Department of General Services (DGS), and the Authorities worked to develop a Request for Qualifications (RFQ) that was issued by OGC and DGS.
- The RFQ was issued for the purpose of creating a bond counsel pool to be used by our clients. To gain admittance to this pool, bond counsel firms had to agree that if chosen by a SPSBA-PHEFA client to do bond counsel work, they must award 15% of that legal work to small diverse law firm and 3% of that legal work to a veteran owned law firm.

Small diverse business goals are met, which was the intent of the original RFP requirement, but now we are giving more flexibility, control, time savings, and cost savings to schools.

OGC and DGS received 20 responses to this RFQ. Many of the usual law firms we deal with as well as new firms and old firms we dealt with prior to the old RFP process applied. All firms agreed to and met the required criteria and were admitted to the new bond counsel pool. This pool will now be in effect for three calendar years.

The new process for a school to select bond counsel is simple. If a school decides to do a bond deal through the authorities – new money, refunding, any bond deal, that school goes to the pre-approved bond counsel pool and selects which firm the school wants and then consults with that firm to select the small diverse law firm and the veteran owned law firm they want to work with. This new process saves the school time, staff time and costs, and it gives the schools more control and ease of mind. The feedback we have received from schools and law firms has been

overwhelmingly positive and enthusiastic. We believe this action and new process could help us gain back old clients and provide an opportunity to gain new clients.

Mr. Gutshall thanked OGC and DGS for making this happen.

Chairperson Heuer thought the change was very positive and he thanked Secretary Topper and his staff for working to change this process. He understands that Eric has been working on this for a while. He believed this is a great opportunity for the Authorities.

Ms. Pike-Nase mentioned that she was on the board in 2015 when the RFP for bond counsel was put in place. She is thrilled that Eric was able to get this accomplished. She believes that the members of the board are very supportive of this new process, especially the Auditor General and Treasury. She thanked Eric and the staff, especially Bev and Dave. She understands how hard the staff worked on this issue.

Representative Nelson also supports this change. His father ran a small financial advisory practice after serving for many years at one of the larger financial advisory practices in the country. He knows the opportunities that the Authorities are providing for small minority and veteran led businesses through this practice will be tremendous and help to establish them throughout the Commonwealth. He thanked everyone for the work that was done to establish this process and he said that it was a pleasure to be part of this team.

The second item Mr. Gutshall discussed was the relocation of the Authorities' physical offices. He previously mentioned to the board that we alerted our landlord that we will be ending our lease June 30, 2022 and moving into a Commonwealth space in or near the Capitol Complex. DGS has been extremely helpful with this process. We are exploring two different office locations at this time and possibly more. We have the potential to save up to \$66,000 annually in lease costs. He thanked Secretary Topper and his team for their help in accomplishing this.

Mr. Gutshall also updated the board on IT changes being made at the Authorities. He explained that we have been working with the Governor's Office of Administration (OA) to find a more efficient way to handle IT services for the Authorities. Thom Pallis, our IT Manager, will be leaving the Authorities and moving into a position at the OA. In conjunction with this, our IT, phone, website, software, hardware and e-mail, etc. will be handled by OA through contracted services. Once these changes are completed, which will probably be in concert with our move, the Authorities have the potential to save up to \$200,000 annually. He thanked OA for their work on this project. There are tremendous savings coming to the Authorities. He is thankful to the team for their work on these changes. Between the lease change and the IT change, there is approximately a quarter of a million dollars in savings per year and it is a fiscally responsible way to make government work.

Chairperson Heuer appreciates the hard work that the staff is doing.

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 said that he hopes the board will meet in person for the next meeting.

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**, and **SECONDED** by **Representative Nelson**, the PHEFA Board Meeting was adjourned at 1:25 p.m.

SUNSHINE ACT PUBLIC MEETING NOTICES, THURSDAY, FEBRUARY 3, 2022

SUNSHINE ACT PUBLIC MEETING NOTICES, Thursday, February 3, 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.

PFBC Boating Advisory Board Meeting, 2/7/2022, 8:30 AM, PA Fish and Boat Commission HQ., Susquehanna Rm., 1601 Elmerton Ave. Harrisburg, PA, Contact: Chad Whitaker 717-480-2867.

Special, Dept. of Labor & Industry, Elevator Safety Board Meeting, 2/7/2022, 10 AM, Conf. Call: 267-332- 8737, Access Code: 970 298 680, Contact: Traci Willman 717-787-6115, To vote upon Schindler STM variances for several projects.

Special, State Public School Building Authority and the PA Higher Educational Facilities Authority Meeting, 2/10/2022, 1 PM, Conf. Call: 717-975-2216 or 888-852-3744, Access Code: 2846. 1035 Mumma Rd., Wormleysburg. Visit <https://www.spsba.org/> for agenda. Contact: Bev Nawa 717-975-2204.

State Conservation Commission Briefing Session, 3/8/2022 and 5/10/2022, 10 AM, Virtual and in person: PA Dept. of Agriculture, 2301 N Cameron St., Rm. 309, Harrisburg, PA. Contact: Barb Buckingham 717-787- 8821, bbuckingha@pa.gov for info.

PIDA Board Meetings, 3/2/22/2022, 10:15 AM, Conf. Call:1 267-332-8737, Contact: Jill Wawrzonek 717-720- 1349.

3/2/22 - Access Code: 112 693 757#

4/6/22 - Access Code: 487 072 081#

5/4/22 - Access Code: 496 234 472#

6/1/22 - Access Code: 424 410 543#

7/6/22 - Access Code: 152 616 399#

8/3/22 - Access Code: 143 071 314#

9/7/22 - Access Code: 343 356 447#

10/5/22 - Access Code: 855 088 235#

11/2/22 - Access Code: 724 255 518#

12/7/22 - Access Code: 457 134 935#

STATE PUBLIC SCHOOL BUILDING AUTHORITY
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
Notice of the Meetings of the Boards to be Held
February 10, 2022

The State Public School Building Authority and the Pennsylvania Higher Educational Facilities Authority Boards will meet on **Thursday, February 10, 2022**, at **1:00 p.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) elect officers for 2022; (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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Board Members were also invited to attend the meetings in person at the Authority office at 1035 Mumma Road, Suite 300, Wormleysburg.

Harrisburg, PA

I CERTIFY that the notice on the previous page for the February 10, 2022, meetings was dispatched to the following on February 1, 2022, at the 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, Secretary of Education
psherts@pa.gov

GIVEN under my hand and seal this 1st day of February 2022.

Eric Gutshall

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