

MARYLAND HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY

A public meeting of the Maryland Health and Higher Educational Facilities Authority was convened at 10:00 a.m., Tuesday, February 7, 2023, with Mr. Arnold Williams, Chairman, presiding. This open meeting was held at 401 East Pratt Street (World Trade Center) in a conference room on the 26th Floor. This meeting was open to the public and available to the public remotely via an open conference and video line.

Present: Arnold Williams, Chairman
Sheila K. Riggs, Vice Chairman
Reco Collins, Member
Frederick W. Meier, Jr., Member
John Phelps, Member
Bonnie Phipps, Member
W. Daniel White, Member
Bart Savidge, Executive Director
Lynn Gorman-Lepson, Chief Financial Officer
David W. Gregory, Bond Counsel
William Taylor IV, Bond Counsel
Brian Carter, Financial Advisor
Stephen Murphy, Financial Advisor

Absent: Treasurer Dereck E. Davis, Ex officio
Mamie Johns Perkins, Member

Special Guests: See attached.

Mr. Arnold Williams, Chairman, convened the meeting. Mr. Savidge announced the names of the Members, staff, counsel, and advisors in attendance.

APPROVAL OF MINUTES

The minutes of the January 10, 2023 regular meeting of the Authority were unanimously approved.

BULLIS SCHOOL, INCORPORATED

Mr. Savidge asked the Members to consider an application from Bullis School, Incorporated to refinance the outstanding Montgomery County, Maryland Economic Development Revenue Bonds (Bullis School Project) Series 2015A (Refunding and Project Bond), Series 2015B (Project Bond) and Series 2015C (Bridge Loan) (the "2015A-C Bonds") previously issued through Montgomery County Economic Development Authority for the benefit of Bullis School and finance capital improvement at its school facility.

Ms. Rachel Venezian, Director of Finance and Operations for Bullis School, provided a brief background on the school and overview of the plan of finance. Ms. Venezian stated that

in any way represent that funds for such financing and refinancing are or will become available.

PATTERSON PARK PUBLIC CHARTER SCHOOL, INC.

Mr. Collins disclosed the fact that he is the Senior Vice President of PNC Bank and abstained from all deliberation and action regarding the proposed Patterson Park Public Charter School transaction.

Mr. Savidge asked the Members to consider an application from Patterson Park Public Charter School, Inc. to finance the acquisition of and improvements to the school facility it is leasing for Clay Hill Public Charter School and to refinance the Authority's Revenue Bond, Patterson Park Public Charter School Issue (2019) and its outstanding taxable term loan.

Ms. Jane Lindenfesler, Executive Director of Patterson Park Public Charter School, Inc., provided background information and an overview of the proposed transaction. Patterson Park Public Charter School, Inc. is a non-profit Maryland corporation that operates two Maryland public charter schools, Patterson Park Public Charter School and Clay Hill Public Charter School serving students in grades pre-K through 8th grade. Patterson Park was founded in 2005 and has a current enrollment of 727 students and Clay Hill was founded in 2021 with a current enrollment of 255. The proposed transaction will provide funds to finance the acquisition of and improvements to the school facility currently being leased for Clay Hill. These improvements include electrical service, HVAC and plumbing upgrades, window and roof replacements and other classroom renovations. The renovations are expected to commence in April 2023 and be completed by August 2023 for the start of the new school year. These renovations will help Clay Hill meet the growing demand in the community and increase its enrollment to 580 students.

Ms. Lindenfesler stated that the Maryland General Assembly passed and adopted the Blueprint for Maryland's Future Fund which will increase the educational funding that schools will receive over the next 10 years.

There were several questions raised regarding per pupil funding and the enrollment process. Ms. Lindenfesler responded that the per pupil funding in FY2023 for Patterson Park and Clay Hill is approximately \$10,000 and \$12,000, respectively. The additional Clay Hill funding is due to the fact that Clay Hill is a recognized English as a Second Language (ESL) School. Ms. Lindenfesler stated that the enrollment process for both Charter Schools is based on a lottery system. Applications are due in October and in mid-February a public lottery is held to fill all open spots. There are some specific parameters that prioritize applicants.

Following discussion, the Authority, on motion by Mr. Phelps, seconded by Mr. Meier, adopted the following resolution (Affirmative – Williams, Riggs, Meier, Phelps, Phipps and White; Negative – none; Abstain – Collins):

NOW, THEREFORE, BE IT RESOLVED, THAT the Authority hereby accepts the application submitted by Patterson Park Public Charter School and authorizes any Member and

the Executive Director of the Authority to execute the form of acceptance of such application in order to evidence such acceptance, such acceptance being subject to the following:

(1) the fulfillment of all requirements of the Authority with respect to the quality of obligations which the Authority will issue; and

(2) the Authority's acceptance of such application shall not be deemed to constitute in any way a determination by the Authority that the project or the financing and refinancing of the project is feasible or will in fact be consummated and although the Authority will keep Patterson Park Public Charter School advised from time to time of the Authority's opinion in regard to the possibility of a successful financing and refinancing of the project by the Authority, the Authority does not guarantee such successful financing and refinancing or in any way represent that funds for such financing and refinancing are or will become available.

FINANCIAL ADVISOR'S REPORT

Mr. Brian Carter reported on the current overall economic condition in the United States, highlighting that inflation concerns continue as year over year growth remains elevated and unemployment remains low. He provided details on the overall impact these conditions have on interest rates and the municipal bond market. Mr. Carter highlighted that benchmark interest rates and credit spreads have been volatile despite fund inflows the first few weeks of January.

Mr. Carter also provided an overview of the Financial Data Transparency Act that was passed into law on December 23, 2022. This Act will require issuers and obligors of municipal securities that post information on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) website submit such information in a machine-readable format. Full implementation of this Act will occur after the requisite regulatory authorities adopt rules under this Act. PFM and the Authority will continue to monitor the status of this Act and evaluate the impact of implementation on its institutions.

EXECUTIVE DIRECTOR'S REPORT

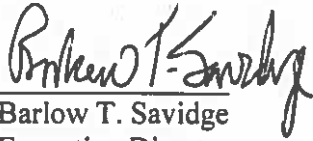
Mr. Savidge provided updates on the various amendments to convert the interest rate on Authority revenue bonds that bear variable rate interest from LIBOR-based to SOFR-based. He also highlighted the waiver that was executed for Trinity School and stated that the Authority continues to work with the School and its lender on long-term solutions for meeting the minimum operating income covenant including revising the amortization period or paying off the related revenue bonds.

Mr. Savidge reported on several outreach activities, including Dwyer Workforce Development and the Neighborhood Impact Investment Fund.

A question was raised regarding the impact that the LIBOR to SOFR Amendments is having on the Authority and its borrowers. Mr. Savidge responded that the Authority was proactive in reaching out to its borrowers about this issue and has worked diligently with the Authority's counsel to develop templates specific to each bank. These templates have streamlined this process and have reduced related costs for the borrowers. The Authority is currently working on approximately 50 of these amendments, the due date of which is June 30, 2023 when LIBOR is expected to cease to be a viable index.

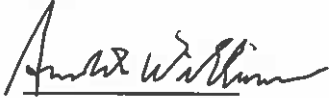
With no further business, on motion by Mr. Phelps, seconded by Mr. Meier, the meeting was adjourned at approximately 11:00 a.m. (Affirmative – Williams, Riggs, Collins, Meier, Phelps, Phipps and White; Negative – none; Abstain – none)

The next meeting of the Authority is scheduled for March 7, 2023.



Barlow T. Savidge
Executive Director

Approved:



Arnold Williams
Chairman

March 7, 2023

February 7, 2023 Authority Meeting
Guests participating either in person or remotely

Bullis School, Incorporated

Rachel Venezian, Director of Finance & Operations

ArentFox Schiff – Bullis School, Incorporated Counsel

Sean Glynn, Partner

Stifel, Nicolaus & Co – Bullis School, Incorporated Placement Agent

Dev Talvadkar, Managing Director

Jeremiah Miller, Vice President

Patterson Park Public Charter School

Jane Lindenfelser, Executive Director

Kinya Stewart, Director of Finance

McGuire Woods - Patterson Park Public Charter School Counsel

Alan Sun – Counsel

First Tryon Advisors - Patterson Park Public Charter School, Inc. Financial Advisor

William Bass - Director

Christopher O. Wienk – Managing Director

Community Outreach Consultant

Annette Anselmi