

ALLEGHENY COUNTY FINANCE AND DEVELOPMENT COMMISSION

MINUTES OF THE BOARD OF DIRECTORS

REGULAR MEETING AND PUBLIC HEARING

ONE CHATHAM CENTER

BOARD ROOM 9TH FLOOR,

112 WASHINGTON PLACE, PITTSBURGH, PENNSYLVANIA

October 27, 2015-9:30 A.M.

The Regular Meeting and Public Hearing of the Allegheny County Finance and Development Commission was held on Tuesday, October 27, 2015, at 9:30 a.m., in the 9th Floor Board Room, One Chatham Center, 112 Washington Place, Pittsburgh, Pennsylvania 15219.

Board Members present were: John Brown, Michael Polite, Daniel Connolly, and via phone, Stephanie Turman, and James Dodaro.

Also present were: Ronald Stout, Authorities Solicitor; Robert Hurley, Executive Director; Jack Exler, Senior Deputy Director; Pat Earley, Deputy Director; Angie Hicks, Project Manager; Adrienne Frazier, Administrative Assistant; Samuel Bozzolla, Project Manager; Tom McGrath, Fiscal Manager; Anita Truss, Senior Accountant; Beth O'Donnell, Marketing Coordinator; Nathan Wetzel, Assistant Manager; and Joseph Schafer, Accounting & Asset Supervisor.

ROLL CALL

The meeting was called to order, roll was called, and a quorum was present.

APPROVAL OF THE PREVIOUS MINUTES—September 22, 2015

ON A MOTION MADE BY MR. POLITE AND SECONDED BY MR. DODARO, THE MINUTES OF THE PREVIOUS MEETING WERE APPROVED AS PRESENTED.

PUBLIC COMMENTS

The Chairman asked if there were any questions, comments, or concerns regarding the Agenda. Hearing none, the meeting continued with the opening of the Industrial Development Authority.

**ALLEGHENY COUNTY
INDUSTRIAL DEVELOPMENT AUTHORITY**

I. FINANCIAL REPORT—BILLS PAYABLE

Mr. Polite stated that he reviewed the ratification of bills for the month of September 2015, along with the balance sheet and bills payable for October 2015, and found them to be in good and proper order.

ON A MOTION MADE BY MR. DODARO AND SECONDED BY MS. TURMAN, THE PAYMENT OF THE BILLS WERE UNANIMOUSLY APPROVED.

II. OLD BUSINESS

- No old business.

III. NEW BUSINESS

- No new business.

IV. ADJOURNMENT OF ACIDA

ON A MOTION MADE BY MR. CONNOLLY AND SECONDED BY MR. DODARO, THE REQUEST WAS UNANIMOUSLY APPROVED TO ADJOURN THE MEETING OF THE INDUSTRIAL DEVELOPMENT AUTHORITY.

**ALLEGHENY COUNTY
HOSPITAL DEVELOPMENT AUTHORITY**

I. FINANCIAL REPORT

Mr. Polite stated that he reviewed the ratification of bills for the month of September 2015, along with the balance sheet and bills payable for October 2015, and found them to be in good and proper order.

ON A MOTION MADE BY MR. CONNOLLY AND SECONDED BY MS. TURMAN, THE PAYMENT OF THE BILLS WERE UNANIMOUSLY APPROVED.

II. OLD BUSINESS

- No old business.

III. NEW BUSINESS

- No new business.

IV. ADJOURNMENT OF ACHDA

ON A MOTION MADE BY MR. POLITE AND SECONDED BY MR. CONNOLLY, THE REQUEST TO ADJOURN THE MEETING OF THE HOSPITAL DEVELOPMENT AUTHORITY WAS UNANIMOUSLY APPROVED.

**ALLEGHENY COUNTY
HIGHER EDUCATION BUILDING AUTHORITY**

I. FINANCIAL REPORT

Mr. Polite stated that he reviewed the ratification of bills for the month of September 2015, along with the balance sheet and the bills payable for October 2015, and found them to be in good and proper order.

ON A MOTION MADE BY MR. DODARO AND SECONDED BY MS. TURMAN, THE PAYMENT OF THE BILLS WAS UNANIMOUSLY APPROVED.

II. OLD BUSINESS

- No old business.

III. NEW BUSINESS

- No new business.

IV. ADJOURNMENT OF ACHEBA

ON A MOTION MADE BY MR. CONNOLLY AND SECONDED BY MR. POLITE, THE REQUEST TO ADJOURN THE MEETING OF THE HIGHER EDUCATION BUILDING AUTHORITY WAS UNANIMOUSLY APPROVED.

**ALLEGHENY COUNTY
RESIDENTIAL FINANCE AUTHORITY**

I. FINANCIAL REPORTS

A. GENERAL—BILLS PAYABLE

Mr. Polite stated that he reviewed the ratification of bills for the month of September 2015, along with the balance sheet and the bills payable for October 2015, and found them to be in good and proper order.

ON A MOTION MADE BY MR. CONNOLLY AND SECONDED BY MS. TURMAN, THE PAYMENT OF THE BILLS WERE UNANIMOUSLY APPROVED.

B. LOW INTEREST LOANS

Mr. Polite stated that he reviewed the balance sheet for the month of September 2015, and found it to be in good and proper order.

ON A MOTION MADE BY MR. CONNOLLY AND SECONDED BY MS. TURMAN THE FINANCIAL STATEMENTS WERE ACCEPTED AS PRESENTED.

C. BOND DEFEASANCE FUND PROGRAM—BALANCE SHEET

Mr. Polite reviewed the balance sheet, along with the summary of expenses for the month of September 2015, and found them to be in order.

ON A MOTION MADE BY MR. CONNOLLY AND SECONDED BY MS. TURMAN, THE FINANCIAL STATEMENTS WERE ACCEPTED AS PRESENTED.

II. OLD BUSINESS

- No old business.

III. NEW BUSINESS

A. MORTGAGE BACKED SECURITIES (MBS) SALE

Request authorization to: (i) sell approximately \$3.5 million of MBS in the Single Family Mortgage Revenue Bond Indenture and redeem \$3.6 million in outstanding

variable rate Single Family Mortgage Revenue Bonds, (ii) pay costs associated with this transaction, estimated at \$37,000, and (iii) allow the Executive Director to execute the necessary documents with Solicitor approval.

The RFA's Financial Advisor, Caine Mitter & Associates Incorporated is recommending that the RFA sell approximately \$3.5 million in MBS in our SFMRB Indenture and redeem \$3.6 million in Bonds associated with the 2005QQ, 2005 RR & 2005SS Series. These are fixed and variable rate bonds and their redemption will permit the Authority to end the need to track and report on these bonds moving forward. It is projected to net the Authority approximately \$138,000 that may be used for administrative or program costs.

Caine Mitter will handle the sale on behalf of the RFA, and expects to sell at a premium of about 8%. A minimum premium to face value of 4% will be set and any bids below that threshold will be rejected.

ON A MOTION MADE BY MR. POLITE AND SECONDED BY MS. TURMAN, THE ABOVE REQUEST WAS APPROVED AS PRESENTED.

B. TERMINATION OF INTEREST RATE SWAP AGREEMENT AND STAND-BY BOND PURCHASE AGREEMENT RELATED TO THE AUTHORITY'S SERIES OF 2005 SS BONDS

Request authorization to: (i) terminate a Swap Agreement with PNC Bank which provides a means to pay a fixed rate of interest for the 2005 SS Single Family Mortgage Revenue Bonds, which bear interest at a variable rate, (ii) terminate a Stand-By Bond Purchase Agreement with PNC Bank for the 2005 SS Bonds, and (iii) allow the Executive Director to execute the necessary documents with Solicitor approval.

Related to the previous Board action concerning the MBS sale, this action terminates the two agreements described above. The 2005 SS Bonds are variable interest rate bonds and the Swap Agreement with PNC Bank created a synthetic fixed interest rate on those bonds. The Stand-By Bond Purchase Agreement is necessary to enable the marketability of the 2005 SS Bonds. Both agreements will no longer be required upon the redemption and payment in full of all outstanding 2005 SS Bonds.

ON A MOTION MADE BY MR. POLITE AND SECONDED BY MS. TURMAN, THE ABOVE REQUEST WAS APPROVED AS PRESENTED.

ON A MOTION MADE BY MR. CONNOLLY AND SECONDED BY MR. DODARO, THE REQUEST WAS UNANIMOUSLY APPROVED TO ADJOURN THE MEETING OF THE RESIDENTIAL FINANCE AUTHORITY AND THE REGULAR MEETING OF THE ALLEGHENY COUNTY FINANCE AND DEVELOPMENT COMMISSION.

Jack Exler

Jack Exler, Sr. Deputy Director

