



Public Meeting of the

Executive Committee

October 31, 2019

2700 Posvar Hall



Public Meeting of the Executive Committee - October 31, 2019

Agenda

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1. Welcome and Approval of Minutes Blum
    - A. Public Meeting of July 10, 2019

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  2. Report of the Budget Committee Shear
    - A. Background Statement and Resolution  
Authorizing the University to Borrow Funds for  
Certain Projects
    - B. Background Statement and Resolution  
Authorizing the University Borrow Funds for  
Certain Capital and Refunding Projects

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  3. New Business/Adjournment Blum

**BACKGROUND STATEMENT  
FOR THE RESOLUTION OF THE EXECUTIVE COMMITTEE  
OF THE BOARD OF TRUSTEES  
AUTHORIZING THE UNIVERSITY TO BORROW FUNDS  
FOR CERTAIN PROJECTS**

The 2019 Campus Master Plan (the “CMP”), completed in February 2019, provides a framework for the University of Pittsburgh’s progress over the next 20-30 years. It also serves as a strategic roadmap for campus-wide renewal and growth while balancing visionary goals with what can be realistically achieved and implemented. The CMP represents the culmination and refining of planning concepts that have been vetted and assessed by University stakeholders over an 18-month period, including: faculty, students, staff, local residents, community groups, donors, business partners, and government leaders.

The 10-Year Facilities Capital Plan (the “Capital Plan”) provides a strategic path forward to ensure that the University’s facilities meet programmatic objectives over the 10-year period and, as such, built in contingencies to review and, if necessary, adjust the Capital Plan’s direction. The Capital Plan is comprised of three categories: (i) infrastructure supporting projects; (ii) transformational projects; and (iii) programmatic and student life. The University adjusted the Capital Plan to strategically align with the CMP and the University’s Strategic Plan (“The Plan for Pitt: Academic Years 2016-2020”).

On July 10, 2019, the Executive Committee of the Board of Trustees approved the University’s Fiscal Year 2020 Capital Budget (the “Capital Budget”), totaling \$641 million. Almost \$400 million of this Capital Budget is comprised of three significant projects: (i) Student Recreation and Wellness Center; (ii) Scaife Hall Addition and Renovation; (iii) and chilled water plant(s). The balance of this Capital Budget includes Auxiliary and School of Medicine programmatic and preservation, emerging opportunities, and contingency funding. Additionally, the Board of Trustees is expected to approve future annual capital budgets that contemplate or require debt financing.

The Budget Committee of the Board of Trustees has approved a resolution recommending that the Board of Trustees authorize the issuance of taxable bonds for the purpose of financing near-term projects in one or more transactions or series, along with such other actions as may be necessary.

The attached resolution is being presented to the Executive Committee of the Board of Trustees to provide the recommended authorizations described therein as permitted under Chapter I, Article V, Section 5.6 of the Bylaws of the University.

**RESOLUTION OF THE EXECUTIVE COMMITTEE  
OF THE BOARD OF TRUSTEES  
AUTHORIZING THE UNIVERSITY TO BORROW FUNDS  
FOR CERTAIN PROJECTS**

WHEREAS, the Board of Trustees previously approved and is expected to continue to approve capital budgets that contemplate or require debt financing to finance a variety of capital projects (the “Projects”); and

WHEREAS, the Chief Financial Officer and the Treasurer have determined that the maximum par amount of bond obligations needed to finance near-term Projects is \$400 million; and

WHEREAS, in connection with the issuance of the bond obligations, the University may enter into one or more bond purchase, private placement, and/or similar agreements (collectively, the “Bond Purchase Agreements”) with one or more underwriters or placement agents (collectively, the “Underwriter”) to purchase or place all or a portion of the bond obligations setting forth the terms and conditions for such purchase or private placement; and

WHEREAS, to the extent necessary, the Underwriter will distribute one or more preliminary official statements or private placement memoranda and final official statements or private placement memoranda (collectively, the “Official Statement”) for such bond obligations containing, among other things, a description of the University, a summary of the bond documents, and the terms of the bond obligations; and

WHEREAS, it may be in the best interest of the University to enter into one or more interest rate swaps, forward rate agreements or other types of interest rate hedging agreements (collectively, “Hedge Agreement”) prior to, concurrent with or subsequent to the issuance of the bond obligations; and

WHEREAS, at a duly advertised public meeting held on October 31, 2019, the Budget Committee of the Board of Trustees approved a resolution recommending that the Board of Trustees authorize the entering into of one or more bond purchase, private placement, or similar agreements in one or more transaction or series, whether on a current or advance basis, along with such other actions as may be necessary to effectuate the financing strategy; now therefore be it

RESOLVED, that the Executive Committee of the Board of Trustees hereby authorizes the issuance and sale of fixed rate, term rate, variable rate and/or multi-modal bonds by the University in one or more series and/or structures to be designated as “University of Pittsburgh - Of the Commonwealth System of Higher Education, University Bonds, Series A of 2019” or similar designation (the “2019 Bonds” or

“Bonds”), in an aggregate principal amount not to exceed \$400 million, with final maturity of at least 30 years, but not to exceed 100 years, for the purpose of financing (i) the Projects, including capitalized interest and (ii) the attendant costs associated with the issuance of the 2019 Bonds (including any Hedge Agreement); and be it further

RESOLVED, that the Executive Committee of the Board of Trustees hereby authorizes the Treasurer and/or the Chief Financial Officer to determine within the scope of this resolution the specific terms and conditions of the 2019 Bonds, including but not limited to any series or subseries designations, the principal amounts, the interest rate or rates, the maturity date or dates, prepayment or redemption provisions and the payment of fees and expenses incurred in connection with such borrowings, including those relating to any Hedge Agreement; and be it further

RESOLVED, that the Executive Committee of the Board of Trustees hereby directs the proper officers of the University to make all necessary debt service payments and other related payments and take all necessary and incidental actions associated with the issuance of the Bonds; and be it further

RESOLVED, that the Executive Committee of the Board of Trustees hereby authorizes the proper officers of the University to execute and deliver in the name and on behalf of the University with respect to the Bonds all documents which are necessary to effect the issuance and sale of the Bonds, including but not limited to one or more (i) Trust Indentures pursuant to which the Bonds will be issued, (ii) Bond Purchase Agreements, (iii) Official Statements, and (iv) Hedge Agreements as may be determined to be economically advantageous, and any amendments or supplements thereto or replacements or terminations thereof (collectively, the “Bond Documents”), all in such form as the proper officers upon the advice of counsel for the University may approve and the Secretary, Executive Secretary, or Associate Secretary is hereby authorized and directed to affix or impress the official seal of the University on said Bond Documents and to attest the same; and be it further

RESOLVED, that the Executive Committee of the Board of Trustees hereby authorizes each Underwriter to distribute and use the Official Statement, as may be amended or supplemented from time to time, and any other appropriate disclosure materials in connection with the placement, sale or remarketing of the Bonds in such form as the proper officers and counsel for the University may approve; and be it further

RESOLVED, that the Executive Committee of the Board of Trustees hereby authorizes the proper officers of the University to execute and file any necessary documents, certificates, forms, financing statements or other instruments and to take any and all such other actions as may be required or which they may deem necessary or appropriate in order to accomplish the foregoing.

**BACKGROUND STATEMENT FOR THE  
RESOLUTION OF THE EXECUTIVE COMMITTEE  
OF THE BOARD OF TRUSTEES  
AUTHORIZING THE UNIVERSITY TO BORROW FUNDS  
FOR CERTAIN CAPITAL AND REFUNDING PROJECTS**

In 1999, a program was initiated for the University to issue tax-exempt notes to finance a portion of its annual capital expenditures. These notes have been designated as the “University of Pittsburgh – Of the Commonwealth System of Higher Education PANTHERS™ (Pitt Asset Notes – Tax-Exempt Higher Education Registered Series of [Year of Issue])” (individually and collectively referred to as “PANTHERS”).

Pursuant to resolutions adopted at public meetings on February 22, 2001, and June 24, 2005, the Board of Trustees expanded the parameters of the PANTHERS program by increasing the permitted indebtedness to its current amount of \$120 million with maturities of up to eight years, while reaffirming the ongoing authorization to enter into related interest rate swaps and/or other forms of interest rate hedges. Since 1999, the University has issued a total of 18 PANTHERS notes totaling \$1.451 billion in financing.

To address the need for growth and greater flexibility and to otherwise further enhance the PANTHERS program, the University desires to expand the Treasurer’s ongoing authorization to administer the program by increasing the maximum permitted indebtedness to \$600 million with maturities of up to 15 years and to reaffirm the ongoing authorization to enter into related interest rate swaps and/or other forms of interest rate hedges.

The attached resolution provides a recommendation from the Budget Committee to the Board of Trustees authorizing the University to take any and all action as may be required or which may be deemed necessary to carry out the actions described therein.

The Budget Committee to the Board of Trustees has approved a resolution recommending that the Board of Trustees authorize the University to take any and all action as may be required or which may be deemed necessary to carry out such actions.

The attached resolution is being presented to the Executive Committee of the Board of Trustees to provide the recommended authorizations described therein as permitted under Chapter I, Article V, Section 5.6 of the Bylaws of the University.

**RESOLUTION OF THE EXECUTIVE COMMITTEE  
OF THE BOARD OF TRUSTEES  
AUTHORIZING THE UNIVERSITY TO BORROW FUNDS  
FOR CERTAIN CAPITAL AND REFUNDING PROJECTS**

WHEREAS, capital expenditures, including (i) capital improvements identified in the University's Capital Budget and (ii) capital equipment identified in the University's Operating Budget (collectively, "Capital Assets") are made each fiscal year; and

WHEREAS, pursuant to resolutions adopted by the Executive Committee of the Board of Trustees at public meetings on April 23, 1999 and April 14, 2000 and resolutions adopted by the Board of Trustees at public meetings on February 22, 2001 and June 24, 2005, the University from time to time since July, 1999 has issued various series of notes designated as the "University of Pittsburgh – Of the Commonwealth System of Higher Education PANTHERS™ (Pitt Asset Notes – Tax-Exempt Higher Education Registered Series of [Year of Issue])" (individually and collectively referred to as "PANTHERS") for the purpose of financing new Capital Assets, refunding maturing PANTHERS, bridge financings, and financing the attendant costs associated with the issuance thereof, including without limitation credit and/or liquidity enhancements; and

WHEREAS, pursuant to a resolution adopted at a public meeting on June 24, 2005, the Board of Trustees expanded the scope of the PANTHERS program by authorizing the issuance and sale of PANTHERS from time to time by the University, each in one or more series and/or structures in an aggregate principal amount not to exceed \$120 million, bearing interest at a fixed or variable rate as the Treasurer may determine, each with an original maturity not longer than eight years, and authorized interest rate swaps and/or other forms of interest rate hedges to be entered into by the University in connection therewith and any other agreements or documents related thereto; and

WHEREAS, to address the need for growth and greater flexibility and to otherwise further enhance the PANTHERS program, at a duly advertised public meeting held on October 31, 2019, the Budget Committee of the Board of Trustees approved a resolution recommending that the Board of Trustees approve the Treasurer's ongoing authorization to administer the program within his discretion be expanded, permitting indebtedness not to exceed \$600 million (excluding any amounts issued to currently refund outstanding PANTHERS debt plus associated costs of issuance and without regard to the notional amount of any interest rate hedges entered into in connection with any series of PANTHERS), bearing interest at fixed and/or variable rates, with maximum maturities of up to 15 years from each date of issuance, and that the ongoing authorization to enter into interest swaps and/or other forms of interest rate hedges in connection therewith be reaffirmed; now therefore be it

RESOLVED, that the Executive Committee of the Board of Trustees authorizes the issuance and sale of notes from time to time by the University, each in one or more series and/or structures to be designated as PANTHERS in an aggregate principal amount not to exceed \$600 million (excluding any amounts issued to currently refund outstanding PANTHERS debt plus associated costs of issuance and without regard to the notional amount of any interest rate hedges entered into in connection with any series of PANTHERS), bearing interest at fixed and/or variable rates as the Treasurer may determine, each with a maximum final maturity not longer than 15 years from each date of issuance, for the purpose of refunding maturing PANTHERS, bridge financings, and financing the costs of Capital Assets and the attendant costs associated with the issuance thereof, including without limitation credit and/or liquidity enhancements, and authorizes interest rate swaps and/or other forms of interest rate hedges to be entered into by the University in connection with each series of PANTHERS and any other agreements or documents related thereto; and be it further

RESOLVED, that the Executive Committee of the Board of Trustees authorizes the proper officers of the University to make annual debt service payments and to pledge the general credit of the University for each series of outstanding PANTHERS, all related credit and/or liquidity enhancements, all related interest rate swaps and/or interest rate hedges, and all other agreements pertaining to the same; and it be further

RESOLVED, that the Executive Committee of the Board of Trustees authorizes the proper officers of the University to execute, deliver and file all necessary documents, certificates, forms, financing statements and instruments (including but not limited to any agreements relating to credit and/or liquidity enhancement for the PANTHERS and any interest rate hedge or similar agreements prior to, concurrent with, or subsequent to the issuance of each series of PANTHERS) and to take any and all other actions as may be required or which they may deem necessary or appropriate to carry out the purposes and intent of this resolution.