

Meeting of the Board
STATE PUBLIC SCHOOL BUILDING AUTHORITY
September 28, 2017
Room 515 North Office Building
Harrisburg, Pennsylvania
10:29 a.m. Prevailing Time

MINUTES

1. Call to Order, Filing of Proof of Sunshine Notice and of Sending Notice of the Meeting, Roll Call and Announcement of Quorum
2. Approval of the Minutes of the Meeting of July 19, 2017
3. Financial Reports for the Months of June, July & August 2017
4. Revolving Loan Fund
5. Audit Committee Report & Audit Charter
6. Approval of Projects
 - A. Resolution Authorizing the Undertaking of a Project on Behalf of the Community College of Allegheny County
7. Old Business
 - A. Project Update
8. New Business
9. Adjournment

1. CALL TO ORDER, FILING OF PROOF OF SUNSHINE NOTICE AND OF SENDING NOTICE OF THE MEETING, ROLL CALL 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, September 28, 2017 at 10:29 a.m. prevailing time, in Room 515 North Office Building, Harrisburg, Pennsylvania. The proof of the Sunshine advertisement and certification in regard to sending the notice of meeting is attached to these minutes and identified as Appendix "A".

Board Members Present

Steven Heuer, (Proxy for Governor Thomas W. Wolf)
Lisa Felix, (Proxy for Senator Andrew E. Dinniman)
Alan Cohn, (Proxy for Representative Anthony M. DeLuca)
Jennifer Langan, (Proxy for Treasurer Joseph M. Torsella)
Christal Pike-Nase, (Proxy for Auditor General Eugene A. DePasquale)
Secretary of General Services Curtis Topper
Alaina Koltash, (Proxy for Secretary of Education Pedro A. Rivera)

Board Member Participating Via Conference Call

Senator John H. Eichelberger Jr.

Board Members Absent

Representative Stanley E. Saylor

Authority Personnel Present

Robert Baccon, Executive Director
Beverly Nawa, Administrative Officer
David Player, Comptroller

Also Present

Dr. Andrew Armagost, Assistant Executive Director, Education Committee
Tiffany Raker, Assistant Legal Counsel, Department of the Auditor General
Melissa Hughes, Public Financial Management

Participated Via Conference Call

William McCarty, Esquire, Barley Snyder LLP
James Webster, Esquire, Houston Harbaugh P.C.
Joyce Breckenridge, Vice President of Finance, Community College of Allegheny County
John Forney, Budget Analyst, Community College of Allegheny County

2. APPROVAL OF THE MINUTES OF THE MEETING OF JULY 19, 2017

A copy of the minutes of the meeting of July 19, 2017, 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 July 19, 2017, be and hereby are approved as presented.

Upon **MOTION** by **Ms. Pike-Nase**, and **SECONDED** by **Ms. Koltash**, and after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of September 28, 2017.

3. FINANCIAL REPORTS FOR THE MONTHS OF JUNE, JULY & AUGUST 2017

The Financial Reports for the months of June, July & August 2017 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 June, July and August 2017 as received by this Board, be accepted and filed with the minutes of this meeting.

Upon **MOTION** by **Ms. Pike-Nase**, and **SECONDED** by **Ms. Koltash**, and after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of September 28, 2017.

4. REVOLVING LOAN FUND

Mr. Baccon explained that we closed three loans. Two loans were to Pennsylvania Highlands Community College. One for \$365,000 and one for \$2.5 million. The third loan just closed yesterday and was to the Western Area Career & Technology Center for \$1,385,586.

5. AUDIT COMMITTEE REPORT & AUDIT CHARTER

Chairperson Heuer explained that the Audit Committee met in September to review the audited financial statements. He asked Ms. Pike-Nase as chairperson of the Audit Committee to offer comments.

Ms. Pike-Nase explained that an exit conference was held on Thursday, September 14, 2017. The Audit Charter was also reviewed. The five Audit Committee members were present at the meeting. Tracey Rash, partner from Maher Duessel attended the exit conference.

As in the past the Authority received a clean opinion. She believes that the auditors are cooperative and organized. She also wanted to make sure that Dave Player was recognized for his outstanding work.

There have been some increase in bond financings during the last fiscal year. In 2016 we only had three financings for each authority, but in 2017 we had an average of 8.5 financings. We are slowly creeping up. At one point we had 15 financings. At the meeting Dave indicated that entities are becoming more comfortable with the bond counsel selection process. Also discussed was the record high number of revolving loans that closed. We now have a 10 year term instead of a 5 year term.

Ms. Pike-Nase recommended that the audited financial statements be accepted by the Board.

Upon **MOTION** by **Ms. Pike-Nase**, and **SECONDED** by **Secretary Topper**, and after full discussion, the audited financial statements were unanimously accepted by the SPSBA Board at a Board Meeting of September 28, 2017.

6. APPROVAL OF PROJECTS

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

Mr. Baccon explained that the Community College of Allegheny County requested that we issue a maximum of \$20,000,000 of revenue bonds to finance the planning, design and construction of Phase One of a new Workforce Training Center facility on the campus of the College, consisting of office, administration, instruction, classroom and laboratory areas, focusing on science, technology, engineering and math subjects.

After completing a Request for Proposal and at the request of the College, the Office of General Counsel has appointed Houston Harbaugh as Bond Counsel and U.S. Bank will serve as the Trustee.

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

Melissa Hughes of Public Financial Management is here and participating by conference call are Joyce Breckenridge, Vice President of Finance and John Forney, Budget Analyst, both from the college along with James Webster of Houston Harbaugh to answer any questions.

Chairperson Heuer asked if Board members had any questions or comments about the project.

Mr. Cohn asked where a rating of A3 stands.

Ms. Hughes explained that the AAA and AA are the strongest and next is the A category, with A3 being at the bottom of the A category, but is still a good rating especially on the college side. Many higher education institutions are in the single A category or BBB category. Anything above BBB- is investment grade.

Ms. Pike-Nase asked if the College works with L&I with regard to the workforce training center and receive technical support once the training facility is up and running.

Ms. Breckenridge indicated that they are not that far into the project to determine that yet.

Ms. Felix asked if they knew the interest rate yet.

Ms. Hughes explained that they do not expect to price the bonds until the spring of 2018. They have prepared numbers to submit to PDE for approval and they used 4% but that is very conservative.

Chairperson Heuer asked that the board be provided with an update when the interest rate becomes available.

Ms. Felix asked if the College had other bond issues outstanding and if this issue was refunding any existing issues.

Ms. Hughes indicated that the College has approximately five issues outstanding along with some revolving loans and that this project is not refunding any of the existing issues.

Chairperson Heuer asked if Board members had any questions or comments about the project and hearing none, he asked for a motion to approve the resolution.

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

DOCKET NO. 2465

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS

1. The State Public School Building Authority (the “Authority”) will undertake the financing of a project for the Community College of Allegheny County (the “College”) consisting of (a) the planning, design and construction of Phase One of a new Workforce Training Center facility on the campus of the College, consisting of office, administration, instruction, classroom and laboratory areas, including culinary and other technical learning areas, for education and training, retraining and career advancement in science, technology, engineering and math subject areas, including cybersecurity, autonomous technology, process technology, plastic technology, and additive manufacturing, EMT, Nurse’s aids and in the creative arts, including equipment, machinery, furniture and fixtures therefor, (b) the funding of any necessary debt service reserve or replacement funds, and (c) the payment of the costs and expenses of issuing and insuring the Bonds issued for the project (the “Project”).

2. In order to finance the Project for the College, the Authority will enter into a Trust Indenture (as subsequently defined) with the Trustee herein appointed, and will issue Bonds in a principal amount not to exceed \$20,000,000 (exclusive of principal attributable to original issue discount) in one or more series (which may be issued on the same or different dates) to be designated as the “State Public School Building Authority College Revenue Bonds (Community College of Allegheny County Project) Series of 2018” (the “2018 Bonds”). The 2018 Bonds shall mature serially on June 15 in each year from June 15, 2019 to and including June 15, 2038 (or on such other date as the Authority and the College shall agree), shall bear interest at a fixed rate acceptable to the College, and shall be subject to prepayment prior to their maturity date as provided in the 2018 Bonds, all as approved by the Executive Director in consultation with the College, and as further provided in a purchase agreement, hereinafter described.

The 2018 Bonds shall be issued in such denominations and form and with such terms as shall be set forth in a Trust Indenture between the Authority and U. S. Bank National Association, as Trustee, or other trustee acceptable to the Authority, to be dated as of May 1, 2018, or the date of issuance of the 2018 Bonds, and approved by the Executive Director (or, alternatively, which may be a supplement, dated as of such date, to a currently existing indenture entered into by the Authority for the College, the “Indenture”). The execution of the 2018 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 or a facsimile of the official seal of the Authority and the attestation thereof by 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 2018 Bonds to the Trustee under the Indenture for authentication, and to execute and deliver instructions to the Trustee to deliver the 2018 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 2018 Bonds shall 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.

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 2018 Bonds, in a form and with content acceptable to the Authority (the "Bond Purchase Agreement") with a bank, investment banking or other financial institution (the "Purchaser"), which may be the provider of the Winning Bid selected upon invitation to bid or private negotiation as requested by the College in consultation with the Financial Advisor to the College, for the purchase of the 2018 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 2018 Bonds and the financing of the Project: the Indenture, the Bond Purchase Agreement, the Loan Agreement, and any other documents required in connection with the issuance of the 2018 Bonds; and any other document to which the Authority is a party and which is required in connection with the financing of the Project; 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 to each of the aforesaid documents. The execution of the aforesaid documents as hereinabove authorized shall be deemed to conclusively evidence the approval by the Authority of said documents.

7. The solicitation of proposals for the purchase of the 2018 Bonds (the "Bid Document") is hereby authorized by the Authority. The Authority agrees to confirm as the winning bid the Purchaser selected by the College. The circulation and distribution of copies of the Bid Document in connection with the offer and sale of the 2018 Bonds is hereby authorized.

8. Any preliminary official statement or preliminary offering memorandum and/or final official statement or offering memorandum which may be used in connection with the offer and sale of the 2018 Bonds shall be in such form as shall be approved, solely as to and for purposes of distribution, by the Executive Director of the Authority with the advice of Bond Counsel. The Executive Director is hereby authorized to execute any such preliminary official statement, preliminary offering memorandum and/or final official statement or final offering memorandum in the name and on behalf of the Authority, and such execution by the Executive Director of the Authority shall constitute conclusive evidence of the Authority's approval, solely as to and for purposes of distribution, of such documents. The circulation and distribution of copies of any such documents in connection with the offer and sale of the 2018 Bonds is hereby authorized.

9. The Purchaser shall be and is hereby authorized to purchase the 2018 Bonds upon the terms and hereof and contained in the Bond Purchase Agreement. U.S. Bank National Association (or other Trustee acceptable to the College) shall be and hereby is authorized to act as Trustee under the Indenture in connection with the issuance of the 2016 Bonds. After completing a Request for Proposal and at the request of the College, the Office of General Counsel has appointed Houston Harbaugh, P.C. as Bond Counsel for this issue.

10. 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, in addition to those specified above, as they shall deem necessary or advisable in connection with the issuance of the 2016 Bonds and the implementation of this Resolution.

11. 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 agreement (an "Amendment") providing for any amendment or other change to any trust indenture, loan agreement, bond, note, instrument or other document executed and delivered with respect to the financing of the Project (collectively, the "Bonds Documents") requested by the College and approved by all other necessary parties, provided that (a) the officer executing the 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 the 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 the Bond Documents, and (ii) the Amendment will not adversely affect the excludability from gross income of interest on the Bonds for purposes of federal income taxation.

12. 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.

13. 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, any preliminary or final official statement or offering memorandum, the distribution of the Bid Document and the issuance and sale of the 2018 Bonds, all in accordance with this Resolution.

14. 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 **Ms. Pike-Nase**, and **SECONDED** by **Ms. Langan**, and after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of September 28, 2017.

EXHIBIT A

COMMUNITY COLLEGE OF ALLEGHENY COUNTY

<u>Docket Number</u>	<u>County</u>	<u>Project Description</u>	<u>Maximum Amount to be Financed</u>
2465	Allegheny	Financing of a project consisting of (a) the planning, design and construction of Phase One of a new Workforce Training Center facility on the campus of the College, consisting of office, administration, instruction, classroom and laboratory areas, including culinary and other technical learning areas, for education and training, retraining and career advancement in science, technology, engineering and math subject areas, including cybersecurity, autonomous technology, process technology, plastic technology, and additive manufacturing, EMT, Nurse's aids and in the creative arts, including equipment, machinery, furniture and fixtures, (b) the funding of any necessary debt service reserve or replacement funds, and (c) the payment of the costs and expenses of issuing and insuring the Bonds issued for the project.	\$20,000,000 (exclusive of any principal attributable to original issue discount)

Principal Payment Dates: Serially on June 15 of each year from 2019 to 2038

Interest Rate: Fixed at the time of issuance

Tax Status: Tax-Exempt, Non-Bank Qualified

Debt Type: College Revenue Bonds

Bond Counsel: After completing a Request for Proposal and at the request of the College, the Office of General Counsel has appointed Houston Harbaugh, P.C.

Trustee: U.S. Bank National Association (or other trustee acceptable to the College)

Purchaser: To be selected by the College following solicitation of proposals

Approved at the SPSBA Board meeting of September 28, 2017

7. OLD BUSINESS

A. Project Update

Mr. Baccon explained that there was nothing to report as far as project updates were concerned.

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, 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, upon **MOTION** by **Mr. Cohn**, and **SECONDED** by **Ms. Pike-Nase**, the SPSBA Board Meeting was adjourned at 10:38 a.m.

SUNSHINE ACT MEETING NOTICES THURSDAY, SEPTEMBER 7, 2017

SUNSHINE ACT MEETING NOTICES

Thursday, September 7, 2017

If you need an accommodation due to a disability, please contact the ADA Contact name listed below.

PA Apprenticeship and Training Council Meeting, 9/14/2017, 10 AM, Labor and Industry Bldg., 651 Boas Street, 17th Floor, Large conf. rm., HBG, Contact: Eric Ramsay 717-787-6997

Public School Employees' Retirement Board Meeting, 9/15/2017, 8:30 AM, PSBA Headquarters, 400 Bent Creek Blvd., Mechanicsburg, Contact: Barbara Book 717-720-4617

Pennsylvania Milk Marketing Board, 9/20/2017, 10:00 AM, 309 Conference Room, Ag Building, HBG, Contact: Timothy Moyer 717-836-3114, September Sunshine Meeting change from September 6

Pennsylvania Game Commission Board of Commissioners Meeting, 9/25/2017, 9:30 AM, Middle Creek Wildlife Management Visitors Center, 100 Museum Rd., Stevens, PA 17578, Contact: Joan French 717-787-7836

Workers' Compensation Advisory Council, 9/26/2017, 12:00 PM, 1171 S. Cameron Street, Room 326, HBG., Contact: Cynthia Kendall 717-886-9000

Pennsylvania Game Commission Board of Commissioners Meeting, 9/26/2017, 1:00 PM, PA Game Commission HQ Auditorium, 2001 Elmerton Ave. HBG, Contact: Joan French 717-787-7836

Special, State Public School Building Authority and Pennsylvania Higher Educational Facilities Authority Meeting, 9/28/2017, 10:30 AM, Room 515 North Office Bldg., HBG, Contact: Bev Nawa 717-975-2204

Rescheduled, Department of Environmental Protection Climate Change Advisory Committee September 12th 2017 meeting rescheduled, 10/24/2017, 10:00 AM, Room 105, Rachel Carson State Office Building, HBG, Contact: Mark M. Brojakowski 717-772-3429, Meeting materials will be available on the Committee's web site 2 weeks prior to the meeting

Appeared in: **Patriot-News** on Thursday, 09/07/2017

STATE PUBLIC SCHOOL BUILDING AUTHORITY
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
Notice of the Meetings of the Board to be Held
September 28, 2017

Notice was in letterform, as follows:

This letter advises that meetings of the State Public School Building Authority and the Pennsylvania Higher Educational Facilities Authority Boards will be held on **Thursday, September 28, 2017**, at **10:30 a.m.**, in **Room 515 North Office Building, Harrisburg**, Pennsylvania, for the purpose of: (a) approving certain projects for financing; and, (b) consideration of such other matters as may properly come before the Board.

Enclosed herewith is a copy of the notice that has been posted on the bulletin board in the Authority office, in accordance with Act No. 213, 1957.

I would appreciate it if you would make the appropriate notation on the attached slip, indicating whether you plan to be present at the meetings and return same to us.

Sincerely,

/s/ Robert Baccon

Robert Baccon
Executive Director

Enclosures

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Appendix A

Harrisburg, PA

I CERTIFY that the notice on the previous page for the September 28, 2017, meeting was dispatched to the following on August 30, 2017, at the addresses indicated, constituting all of the members of the Board of the State Public School Building Authority.

Thomas W. Wolf, Governor of Pennsylvania
225 Main Capitol Building, Harrisburg, PA
Steven S. Heuer, Proxy for Governor Wolf
333 Market Street – 18th Floor, Harrisburg, PA
John H. Eichelberger Jr., Designated by the President Pro Tempore of the Senate
173 Main Capitol Building, Harrisburg, PA
Andrew E. Dinniman, Designated by the Minority Leader of the Senate
182 Main Capitol Building, Harrisburg, PA
Stanley E. Saylor, Designated by the Speaker of the House of Representatives
245 Main Capitol Building, Harrisburg, PA
Anthony M. DeLuca, Designated by the Minority Leader of the House of Representatives
115 Irvis Office Building, Harrisburg, PA
Joseph M. Torsella, State Treasurer
129 Finance Building, Harrisburg, PA
Eugene A. DePasquale, Auditor General
229 Finance Building, Harrisburg, PA
Curtis M. Topper, Secretary of General Services
515 North Office Building, Harrisburg, PA
Pedro A. Rivera, Secretary of Education
333 Market Street - 10th Floor, Harrisburg, PA

GIVEN under my hand and seal this 30th day of August 2017.

/s/ Robert Baccon

Robert Baccon, Executive Director
State Public School Building Authority
Pennsylvania Higher Educational Facilities Authority