

Meeting of the Board
STATE PUBLIC SCHOOL BUILDING AUTHORITY
July 14, 2016
Room 515 North Office Building
Harrisburg, Pennsylvania
10:31 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 June 9, 2016.
3. Financial Report for the Month of May 2016.
4. Revolving Loan Fund.
5. Approval of Projects.
 - A. Resolution Authorizing the Undertaking of a Project on Behalf of the Community College of Allegheny County.
6. Old Business.
7. New Business.
8. 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, July 14, 2016 at 10:31 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)
Kelly Phenicie, (Proxy for Senator Lloyd K. Smucker)
Lisa Felix, (Proxy for Senator Andrew E. Dinniman)
Alan Cohn, (Proxy for Representative Anthony M. DeLuca)
Christopher Craig, (Proxy for Treasurer Timothy A. Reese)
Christal Pike-Nase, (Proxy for Auditor General Eugene A. DePasquale)
Secretary of General Services Curtis M. Topper
Ernie Helling, (Proxy for Secretary of Education Pedro A. Rivera)

Board Members Absent

Representative Stan Saylor

Authority Personnel Present

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

Also Present

William McCarty, Esquire, Barley Snyder LLP
Melissa Hughes, Public Financial Management
Joel Snavely, Treasury Manager, Pennsylvania State System of Higher Education
Nilda Sather, Senior Treasury Accountant, Pennsylvania State System of Higher Education
Troy Brown, Legal Intern, Department of the Auditor General

Participated Via Conference Call

James Webster, Esquire, Houston Harbaugh P.C.
David Beaupre, Vice President for Finance & Administration & Treasurer, Saint Joseph's University
Paul Clancy, Managing Director, RBC Capital Markets, LLC
Barbara Beckman, Esquire, Ballard Spahr LLP

Teri Guarnacci, Esquire, Ballard Spahr LLP
Linda Eremita, Executive Vice President & Manager, George K. Baum & Company

Ms. Nawa welcomed Troy Brown, Legal Intern, Department of the Auditor General, to the meeting.

2. APPROVAL OF THE MINUTES OF THE MEETING OF JUNE 9, 2016.

A copy of the minutes of the meeting of June 9, 2016, 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 June 9, 2016, be and hereby are approved as presented.

Upon **MOTION** by **Ms. Pike-Nase**, and **SECONDED** by **Mr. Cohn**, and after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of July 14, 2016.

3. FINANCIAL REPORT FOR THE MONTH OF MAY 2016.

The Financial Report for the month of May 2016 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 Report of the State Public School Building Authority for the month of May 2016 as received by this Board, be accepted and filed with the minutes of this meeting.

Upon **MOTION** by **Mr. Helling**, and **SECONDED** by **Secretary Topper**, and after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of July 14, 2016.

4. REVOLVING LOAN FUND.

Mr. Baccon explained that we closed a \$938,000 loan to the Community College of Allegheny County for the replacement of computer equipment.

He said that we also have one pending project. The Pennsylvania Highlands Community College has requested a \$135,000 loan to purchase network and computer lab equipment.

5. 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 \$10,220,000 in Revenue Bonds to finance the current refunding of all the Authority's College Revenue Bonds, Series of 2008.

After completing an RFP and at the request of the College, the Office of General Counsel has appointed Houston Harbaugh as Bond Counsel.

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 in attendance and James Webster of Houston Harbaugh is participating via conference call to answer any questions from board members.

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

Mr. Craig asked what the cost of outside counsel was as a consequence of the bid.

Ms. Hughes stated that she believed that it was \$11,000.

Mr. Craig also asked the approximate projected savings for the transaction.

Ms. Hughes indicated that it was \$406,000 or 4% of par.

**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. 2448

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS

1. The State Public School Building Authority (the “Authority”) will undertake the financing of a project consisting of (a) the current refunding of the State Public School Building Authority College Revenue Bonds (Community College of Allegheny County Project), Series of 2008 (the “Prior Bonds”) issued in the original aggregate principal amount of \$22,040,000 (of which \$9,805,000 remains outstanding; and (b) the payment of the costs and expenses of issuing and insuring the 2016 Bonds (the “Refunding Project”).

2. In order to finance the Project, the Authority will enter into the Trust Indenture (as subsequently defined) with the Trustee herein appointed, and will issue the 2016 Bonds in a principal amount not to exceed \$10,220,000 (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 2016”. The 2016 Bonds shall mature serially on June 15 in each year from June 15, 2017 to and including June 15, 2027, 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 2016 Bonds, all as approved by the Executive Director in consultation with the College, and as further provided in a purchase agreement, hereinafter described.

The 2016 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 October 1, 2016, or the date of issuance of the 2016 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 2016 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 2016 Bonds to the Trustee under the Indenture for authentication, and to execute and deliver instructions to the Trustee to deliver the 2016 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 2016 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 Refunding Project and the payment of the costs and expenses of issuing the 2016 Bonds.

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 2016 Bonds, in a form and with content acceptable to the Authority (the “Bond Purchase Agreement”) with a bank 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 2016 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 2016 Bonds and the financing of the Refunding Project: the Indenture, the Bond Purchase Agreement, the Loan Agreement, and any other documents required in connection with the issuance of the 2016 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 and affix the official seal of the Authority 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 2016 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 2016 Bonds is hereby authorized.

8. Any preliminary official statement and/or final official statement which may be used in connection with the offer and sale of the 2016 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 and/or final official statement 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 2016 Bonds is hereby authorized.

9. The Underwriters shall be and are hereby authorized to purchase the 2016 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, the distribution of the Bid Document and the issuance and sale of the 2016 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 **Secretary Topper**, and after full discussion the above Resolution was unanimously approved at the SPSBA Board Meeting of July 14, 2016.

EXHIBIT A

COMMUNITY COLLEGE OF ALLEGHENY COUNTY

SERIES OF 2016

<u>Docket No.</u>	<u>County</u>	<u>Project Description</u>	<u>Maximum Amount to be Financed</u>
2448	Allegheny	Financing of a project consisting of (a) the current refunding of the State Public School Building Authority College Revenue Bonds (Community College of Allegheny County Project), Series of 2008 (the "Prior Bonds") issued in the original aggregate principal amount of \$22,040,000 (of which \$9,805,000 remains outstanding; and (b) the payment of the costs and expenses of issuing and inuring the 2016 Bonds (the "Refunding Project").	\$10,220,000 (exclusive of any principal attributable to original issue discount)

Principal Payment Dates: Serially on June 15 of each year from 2017 to 2027.

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 July 14, 2016.

6. OLD BUSINESS.

Chairperson Heuer asked if there was any old business to come before the Board, and hearing none he moved to new business.

7. 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.

8. ADJOURNMENT.

There being no further business to come before the Board at this time, upon **MOTION** by **Mr. Cohn**, and **SECONDED** by **Mr. Helling**, the SPSBA Board Meeting was adjourned at 10:34 a.m.

SUNSHINE ACT MEETING NOTICES THURSDAY, JUNE 30, 2016

SUNSHINE ACT MEETING NOTICES

Thursday, June 30, 2016

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

Department of General Services, Joint Committee on Documents Meeting, 7/6/2016, 11 AM, Room 461 Main Capitol Bldg., HBG., Contact: Leah Brown 783-1530

Special, Sheriff and Deputy Sheriff Education and Training Board Meeting, 7/7/2016, 10 AM, PCCD Office Building, 3101 North Front St., Commission Room West, HBG., Contact: Luanne Melia 265-8497

Pennsylvania State Board of Education, 7/13/2016, 10 AM, Harristown II, 333 Market St., HBG., Contact: Ann Swajkowski 787-4431, 10 AM, Heritage A, Lobby Level - Ad Hoc Committee on Private School Accreditation; 11 AM, Heritage B, Lobby Level - School and University Safety Committee 1 PM., Honors Suite 1st Floor - Council of Higher Education/ Council of Basic Education Meeting; Immediately following is the State Board for Vocational Education/State Board of Education Meeting.

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Special, State Public School Building Authority and PA Higher Educational Facilities Authority Meetings, 7/14/2016, 10:30 AM, Room 515, North Office Bldg., HBG., Contact: Bev Nawa 975-220

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State Civil Service Comm. Hearing, 7/18/2016, 10 AM, 7/21/2016, 9:30 AM, 7/25/2016, 10 AM, 7/26/2016, 10 AM, 7/27/2016, 9:30 AM, 7/28/2016, 9:30 AM, 4th Floor Hearing Room, HBG., State Civil Service Comm. Meeting, 7/20/2016, 10:30 AM, 4th Floor Public Meeting Room, 320 Market St., HBG. Contact: Bernadette Hatok 787-6976

Managed Long-Term Services and Supports Subcommittee Meetings, 9/7/2016, 10AM - 1PM, PA Dept. of Education, Honors Suite, 1st Fl., 333 Market St. Tower, HBG., Contact: Marilyn Yocum 772-2549, Add'l meetings scheduled: 10/3/2016, 11/7/2016, and 12/9/2016, same time and location.

Appeared in: ***Patriot-News*** on Thursday, 06/30/2016

Appendix A

STATE PUBLIC SCHOOL BUILDING AUTHORITY
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
Notice of the Meeting of the Board to be Held
July 14, 2016

Notice was in letterform, as follows:

This letter advises that a meeting of the State Public School Building Authority and the Pennsylvania Higher Educational Facilities Authority Boards will be held on **Thursday, July 14, 2016, 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 or not 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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Harrisburg, PA

I CERTIFY that the notice on the previous page for the July 14, 2016, meetings was dispatched to the following on June 24, 2016, at the addresses indicated, constituting all of the members of the Board of the State Public School Building Authority and the Pennsylvania Higher Educational Facilities 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
Lloyd K. Smucker, Designated by the President Pro Tempore of the Senate
351 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
105 Ryan Building, Harrisburg, PA
Anthony M. DeLuca, Designated by the Minority Leader of the House of Representatives
115 Irvis Office Building, Harrisburg, PA
Timothy A. Reese, 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 24th day of June 2016.

/s/ Robert Baccon

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