

Meeting of the Board
STATE PUBLIC SCHOOL BUILDING AUTHORITY
September 20, 2018
Room 515 North Office Building
Harrisburg, Pennsylvania
10:30 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 August 1, 2018
3. Financial Reports for the Months of June and July 2018
4. Revolving Loan Fund
5. Approval of Projects
 - A. Resolution Authorizing the Undertaking of a Project on Behalf of the Butler County Community College
6. Old Business
 - A. Project Update
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, September 20, 2018 at 10:30 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 the meeting is attached to these minutes and identified as Appendix "A".

Board Members Present

Steven Heuer, (Proxy for Governor Thomas W. Wolf)
Kevin Derr, (Proxy for Senator John H. Eichelberger Jr.)
Lisa Felix, (Proxy for Senator Andrew E. Dinniman)
Danielle Guyer, (Proxy for Representative Stanley Saylor)
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)
Alaina Koltash, (Proxy for Secretary of Education Pedro A. Rivera)

Board Members Absent

Secretary of General Services Curtis Topper

Authority Personnel Present

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

Also Present

William McCarty, Esquire, Barley Snyder LLP
Scott Shearer, Managing Director, Public Financial Management

Participated Via Conference Call

Jim Webster, Esquire, Clark Hill PLC
Ron Stout, Esquire, Clark Hill PLC
Jim Hrabosky, Vice President of Finance & Administration, Butler County Community College
Kevin Cunningham, Esquire, Ballard Spahr LLP
Jee He Kim, Director, University of Pennsylvania
Andre Dasent, Esquire, Andre Dasent, P.C.
Jay Bellwoar, Managing Director, Bank of America Merrill Lynch

2. APPROVAL OF THE MINUTES OF THE MEETING OF AUGUST 1, 2018

A copy of the minutes of the meeting of August 1, 2018, 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 August 1, 2018, be and hereby are approved as presented.

Upon **MOTION** by **Ms. Pike-Nase**, after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of September 20, 2018.

3. FINANCIAL REPORTS FOR THE MONTHS OF JUNE & JULY 2018

The Financial Reports for the months of June & July 2018 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 and July 2018 as received by this Board, be accepted and filed with the minutes of this meeting.

Upon **MOTION** by **Ms. Pike-Nase**, and after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of September 20, 2018.

4. REVOLVING LOAN FUND

Mr. Baccon explained that we had no closings since the August meeting and we have no pending projects.

5. APPROVAL OF PROJECTS

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

Mr. Baccon explained the the Butler County Community College has requested that we issue a maximum of \$8,500,000 in Revenue Bonds to finance the current refunding of the Authority's College Revenue Refunding Bonds Series A & B of 2011.

After completing an RFP and at the request of the College, the Office of General Counsel has appointed Clark Hill as Bond Counsel. Boenning & Scattergood will serve as the Underwriter and the Bank of New York Mellon as the Trustee.

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

Scott Shearer of PFM is here to answer questions and Jim Hrabosky, Vice President of Finance and Administration for the College and Jim Webster and Ron Stout of Clark Hill are participating by phone.

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

Ms. Langan asked about the College's credit rating and the expected savings.

Mr. Shearer explained that the College has a rating of Baa1. He said that they are not seeking an underlying rating for this transaction. They will use only the insured rating which he expects to have in another day or two.

Mr. Shearer said that conservatively, they expect \$150,000 in savings, which is just over 2%. If the transaction was bid today it would be closer to \$200,000.

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

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

DOCKET NO. 2470

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The State Public School Building Authority (the "Authority") will undertake the financing of a project (the "Project") for the Butler County Community College (the "College") consisting of (a) the current refunding of the College Revenue Refunding Bonds (Butler County Community College Project) Series A of 2011 (the "Series A Bonds") in the outstanding principal amount of \$6,090,000 and the College Revenue Refunding Bonds (Butler County Community College Project) Series B of 2011 (the "Series B Bonds" and, together with the Series A Bonds, the "Prior Bonds") in the outstanding principal amount of \$1,375,000 issued by the Authority; and (b) the payment of the costs and expenses of issuing and insuring the Bonds, by the issuance of the Authority's College Revenue Bonds (Butler County Community College Project) Series of 2018 (the "2018 Bonds") in a principal amount not to exceed \$8,500,000.

2. In order to finance the Project, the Authority will enter into a Trust Indenture (as subsequently defined) with the Trustee herein appointed, and will issue the 2018 Bonds in a principal amount not to exceed \$8,500,000 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 (Butler County Community College Project) Series of 2018". The 2018 Bonds will mature serially on July in each year from July 15, 2019 to and including July 15, 2029, will bear interest at a fixed or variable rate acceptable to the College, and will 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 bond purchase agreement, hereinafter described.

The 2018 Bonds will be issued in such denominations and form and with such terms as shall be set forth in a Trust Indenture between the Authority and the Trustee herein appointed to be dated as of October __, 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 and 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, or, alternatively, a Supplement to an existing 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 and the payment of the costs and expenses of issuing and insuring the 2018 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 2018 Bonds, in a form and with content acceptable to the Authority, (the "Bond Purchase Agreement") with Boenning and Scattergood, Inc., pursuant to a private sale 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: an Indenture, the Bond Purchase Agreement, a Loan Agreement, and any other document required in connection with the issuance of the 2018 Bonds and in connection with the financing of the Project (together, the "Authority Documents"), 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 Authority Documents. The execution of the aforesaid documents as hereinabove authorized shall be deemed to conclusively evidence the approval by the Authority of the Authority Documents.

7. The Bank of New York Mellon Trust Company, N.A. (or other Trustee acceptable to the College) (the "Trustee") shall be and hereby is authorized to act as Trustee under the Indenture in connection with the issuance of the 2018 Bonds. After completing a request for proposal and at the request of the College, the Office of General Counsel has appointed Clark Hill PLC as Bond Counsel for this issuance.

8. 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, including a Tax Certificate or Agreement (the "Tax

Certificate”) in addition to those specified above, as they shall deem necessary or advisable in connection with the issuance of the 2018 Bonds and the implementation of this Resolution.

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

10. 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.

11. 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 or any Amendment, and the issuance and sale of the 2018 Bonds, all in accordance with this Resolution.

12. 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 after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of September 20, 2018.

EXHIBIT A

BUTLER COUNTY COMMUNITY COLLEGE

| <u>Docket Number</u> | <u>County</u> | <u>Project Description</u> | <u>Maximum Amount to be Financed</u> |
|-----------------------------|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| 2470 | Butler | Financing of a project consisting of (a) the current refunding of the Authority's College Revenue Refunding Bonds (Butler County Community College Project) Series A of 2011 and College Revenue Refunding Bonds (Butler County Community College Project) Series B of 2011 and (b) the payment of the costs and expenses of issuing and insuring the Bonds. | \$8,500,000 (exclusive of any principal attributable to original issue discount) |

Principal Payment Dates: Serially on July 15 of each year from 2019 to 2029

Interest Rate: Fixed at the time of issuance

Tax Status: Tax-Exempt

Debt Type: College Revenue Bonds

Minority, Veteran and/or female participation in this issue: To be determined by the College in consultation with the Executive Director of the Authority

Bond Counsel: After completing a Request for Proposal and at the request of the College, the Office of General Counsel has appointed Clark Hill PLC

Trustee: The Bank of New York Mellon Trust Company, N.A.

Underwriter: Boenning & Scattergood, Inc.

Approved at the SPSBA Board Meeting of September 20, 2018.

6. OLD BUSINESS

A. Project Update

Mr. Baccon explained that he had nothing to report at this time.

Chairperson Heuer asked if there was any other 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 **Ms. Pike-Nase**, and **SECONDED** by **Mr. Cohn**, the SPSBA Board Meeting was adjourned at 10:33 a.m.

SUNSHINE ACT MEETING NOTICES THURSDAY, SEPTEMBER 6, 2018

SUNSHINE ACT MEETING NOTICES

Thursday, September 6, 2018

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

State Civil Service Commission Hearing, 9/10/2018, 9:30 AM, 4th Fl., Public Hearing Rm., 320 Market St., Harrisburg, Contact: Keri Seitz 717-783-2926

Thursday, 9/13@ 8:30 pm, State Board for Vocational Education followed immediately by the State Board of Education Meeting. Honors Suite, 1st Fl., 333 Market St. Harrisburg

Underground Storage Tank Indemnification Board Meeting, 9/13/2018, 10 AM, Capitol Associates Bldg., Ste. 200, 901 North Seventh St., Harrisburg, Contact: Jean Bowman 717-787-8027

PA Apprenticeship and Training Council Meeting, 9/13/2018, 10 AM, Labor and Industry Bldg., 17th Fl., Rm. 1710., 651 Boas St., Harrisburg, Contact: Eric Ramsay 717-787-6997

Special, The State Horse Racing Commission Meeting, 9/13/2018, 10 AM, Dept. of Agriculture Bldg., Rm. 202, 2301 N. Cameron St., Harrisburg, Contact: Stephanie Pavlik 717-787-5539

PA Cancer Control, Prevention and Research Advisory Board (CAB) Quarterly Meeting, 9/13/2018, 9 AM - 12 PM, Dixon University Center, Admin Bldg., Board Rm., 2986 N. 2nd St., Harrisburg, Contact: Sharon Sowers 717-547-3249

State Civil Service Commission Hearing, 9/14/2018, 10 AM, 4th Fl. Public Hearing Rm., 320 Market St., Harrisburg, Contact: Keri Seitz 717-783-2926

Cancelled, Environmental Quality Board (EQB) meeting, 9/18/2018, 9 AM, Rachel Carson Building, Rm. 105, 400 Market St., Harrisburg, Contact: Laura Edinger 717-783-8727

Special, PA Higher Educational Facilities Authority, and State Public School Building Authority Meeting, 9/20/2018, 10:30 AM, Rm. 515, North Office Bldg., Harrisburg, Contact: Bev Nawa 717-975-2204

Special, PA Dept. of Corrections - Bureau of Correction Education Meeting, 10/3/2018, 9 AM, PA DOC Central Office, Rm. 334, 1920 Technology Parkway, Mechanicsburg, PA 17050, Contact: Wendy Mangold 717-718-5323

Children's Trust Fund Board Meeting, 1/24/2019, 10 AM - 12 PM, 3rd Fl., e-Center, 333 Market St., Harrisburg, Contact: Andrew M Dietz 717-772-2098, Additional mtgs. to be held on the same date, time, and location: 4/18/19, 5/30/19, 8/22/19, and 10/24/19

Appeared in: **Patriot-News** on Thursday, 09/06/2018

Appendix A

STATE PUBLIC SCHOOL BUILDING AUTHORITY
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
Notice of the Meetings of the Board to be Held
September 20, 2018

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 20, 2018, 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

* * * * *

Appendix A

Harrisburg, PA

I CERTIFY that the notice on the previous page for the September 20, 2018, meeting was dispatched to the following on August 31, 2018, 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 31st day of August 2018.

/s/ Robert Baccon

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

Appendix A