

Meeting of the Board  
**STATE PUBLIC SCHOOL BUILDING AUTHORITY**  
May 12, 2015  
**Room 515 North Office Building**  
Harrisburg, Pennsylvania  
10:32 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 April 9, 2015.
3. Financial Report for the Month of March 2015.
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.
  - B. Resolution Authorizing the Undertaking of a Project on Behalf of Colonial Intermediate Unit No. 20.
6. Old Business.
  - A. Gift Ban Resolution.
7. New Business.
  - A. Bond Counsel Appointment Policy.
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 Tuesday, May 12, 2015 at 10:32 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)  
Senator Lloyd K. Smucker  
Senator Andrew E. Dinniman (arrived at 10:39 am)  
Alan Cohn, (Proxy for Representative Anthony M. DeLuca)  
Executive Deputy State Treasurer Christopher B. Craig  
Christal Pike-Nase, (Proxy for Auditor General Eugene A. DePasquale)  
Secretary of General Services Curtis M. Topper  
Ernie Helling, (Proxy for Acting Secretary of Education Pedro A. Rivera)

**Board Members Absent**

Speaker Mike Turzai

**Authority Personnel Present**

Robert Baccon, Executive Director  
Beverly Nawa, Administrative Officer

**Also Present**

William McCarty, Esquire, Hartman Underhill & Brubaker LLC  
Jamie Doyle, Managing Director, Public Financial Management, Inc.  
Danielle Guyer, Director of Budgetary Affairs for the Speaker of the House of Representatives  
Scott Shearer, Managing Director, Public Financial Management, Inc.  
Jennifer Langan, Deputy Chief Counsel, Pennsylvania Treasury  
Kelly Phenicie, Executive Director, Senate Education Committee  
Matthew E. Parido, Chief of Staff, Office of Senator Lloyd K. Smucker

**Participated Via Conference Call**

Lynn Freeman, Esquire, Buchanan Ingersoll & Rooney, PC  
Charlene Brennan, Executive Director, Colonial Intermediate Unit No. 20  
Hans Baltzersen, Director of Business Services, Colonial Intermediate Unit No. 20

## **2. APPROVAL OF THE MINUTES OF THE MEETING OF APRIL 9, 2015.**

A copy of the minutes of the meeting of April 9, 2015, 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 April 9, 2015, be and hereby are approved as presented.

Upon **MOTION** by **Ms. Pike-Nase**, and **SECONDED** by **Mr. Helling**, and after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of May 12, 2015.

## **3. FINANCIAL REPORT FOR THE MONTH OF MARCH 2015.**

The Financial Report for the month of March was 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 March 2015 as received by this Board, be accepted and filed with the minutes of this meeting.

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 May 12, 2015.

## **4. REVOLVING LOAN FUND.**

Mr. Baccon explained that there were no closings since the April meeting and that we have one pending project. The Pennsylvania Highlands Community College has requested a loan of \$149,000 to purchase network equipment upgrades.

## **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 has requested that we issue a maximum of \$4,000,000 in revenue bonds to finance the acquisition and installation of energy saving facilities and equipment, consisting of water conservation upgrades, central plant replacements, including boilers and chillers.

The purchaser of the Bonds will be selected by competitive invited bid or by private negotiation following the solicitation of competitive bids; Public Financial Management is the financial advisor; and U.S. Bank National Association, is the trustee for the bond issue. After an RFP process and at the request of the College, the Office of General Counsel has appointed Houston Harbaugh as bond counsel for this issue.

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

Jamie Doyle, Managing Director of PFM, was present to answer questions.

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

Executive Deputy State Treasurer Craig asked if there were any cost savings associated with this energy savings project.

Ms. Doyle said that the estimated savings would be almost \$6,400,000 over the life of the 20-year bond issue. That is approximately \$880,000 more savings than the actual debt service payments on the estimated bond issue.

Executive Deputy State Treasurer Craig noted that this is fairly material and important. He also asked how Houston Harbaugh was selected as bond counsel. He wanted to know how the new bond counsel selection process was different from the very long standing practice of this Authority.

Ms. Doyle said that the Community College of Allegheny County completed an RFP process. PFM helped them with this process. The Community College does that every time they do a financing. They had started that process before the change that the Governor instructed.

Executive Deputy State Treasurer Craig asked if the Community College completed this competitive bid process on their own and selected the bond counsel.

Ms. Doyle clarified that the Community College had completed the competitive bid process on their own, as a part of their normal practice.

Executive Deputy State Treasurer Craig asked if the Office of General Counsel appointed Houston Harbaugh as bond counsel because they were on the approved RFP list.

Mr. Baccon answered that Houston Harbaugh was appointed because they were on the prequalified list.

Executive Deputy State Treasurer Craig asked if Houston Harbaugh represents the Authority.

Mr. Baccon said that Houston Harbaugh does not represent the Authority.

Chairperson Heuer asked if there were any other questions from the Board, 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. 2442**

**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 the acquisition and installation of energy saving facilities and equipment, consisting of water conservation upgrades, central plant replacements, including boilers and chillers and other retro-commissioning and energy-related upgrades (the “Project”) of the Community College of Allegheny County (the “College”) by: (a) the issuance of State Public School Building Authority College Revenue Bonds (Community College of Allegheny County Project) Series of 2015 (the “2015 Bonds”) in a principal amount not to exceed \$4,000,000; and (b) the payment of the costs and expenses of issuing the 2015 Bonds.

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 2015 Bonds in a principal amount not to exceed \$4,000,000 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 (Community College of Allegheny County Project) Series of 2015”. The 2015 Bonds shall mature serially on May in each year from May 15, 2016 to and including May 15, 2035, shall bear interest at a fixed or variable rate acceptable to the College, and shall be subject to prepayment prior to their maturity date as provided in the 2015 Bonds, all as approved by the Executive Director in consultation with the College, and as further provided in a purchase agreement, hereinafter described.

The 2015 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 a Trustee acceptable to the Authority to be dated as of May 25, 2015, or the date of issuance of the 2015 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 2015 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 2015 Bonds to the Trustee under the Indenture for authentication, and to execute and deliver instructions to the Trustee to deliver the 2015 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 2015 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 and the payment of the costs and expenses of issuing the 2015 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 2015 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 2015 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 2015 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 2015 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 2015 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 2015 Bonds is hereby authorized.

8. 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 2015 Bonds. At the request of the College, the Office of General Counsel has appointed Houston Harbaugh, P.C. as Bond Counsel for this issue.

9. 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 2015 Bonds and the implementation of this Resolution.

10. 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.

11. 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.

12. 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, the distribution of the Bid Document and the issuance and sale of the 2015 Bonds, all in accordance with this Resolution.

13. 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 **Secretary Topper**, and **SECONDED** by **Mr. Helling**, and after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of May 12, 2015.



**EXHIBIT A**

**COMMUNITY COLLEGE OF ALLEGHENY COUNTY**

<b><u>Docket Number</u></b>	<b><u>County</u></b>	<b><u>Project Description</u></b>	<b><u>Maximum Amount To be Financed</u></b>
2442	Allegheny	Financing of a project consisting of the acquisition and installation of energy saving facilities and equipment, consisting of water conservation upgrades, central plant replacements, including boilers and chillers and other retro-commissioning and energy-related upgrades, and the payment of costs of issuance related to the financing of the Community College of Allegheny County by the issuance of State Public School Building Authority College Revenue Bonds (Community College of Allegheny County Project) Series of 2015 in a principal amount not to exceed \$4,000,000.	\$4,000,000

**Principal Payment Dates:** Serially on May 15 of each year from 2016 to 2035.

**Interest Rate:** Fixed at the time of issuance.

**Tax Status:** Tax-Exempt, Non-Bank Qualified.

**Debt Type:** College Revenue Bonds.

**Bond Counsel:** At the request of the College, the Office of General Counsel has appointed Houston Harbaugh, P.C.

**Trustee:** U.S. Bank National Association.

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

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

Approved at the SPSBA Board meeting of May 12, 2015.

## **5. APPROVAL OF PROJECTS (CONTINUED).**

### **B. Resolution Authorizing the Undertaking of a Project on Behalf of Colonial Intermediate Unit No. 20.**

Mr. Baccon explained that the Colonial Intermediate Unit No. 20 has requested that we issue a maximum of \$13,745,000 in revenue bonds to finance the refunding of our School Lease Revenue Bonds, Series of 2005.

The underwriter or lending institution shall be selected via a competitive process. Manufacturers and Traders Trust Company is the trustee for the bond issue. Public Financial Management is the financial advisor. At the request of Colonial IU, a bond counsel firm will be approved following an RFP process.

The Resolution in your agenda approves all of the actions necessary in connection with the issuance of the Bonds. Scott Shearer, Managing Director of Public Financial Management is present and Charlene Brennan, Executive Director, Hans Baltzersen, Director of Business Services of Colonial IU are participating by conference call to answer questions concerning the project.

A discussion about bond counsel appointment will be in the new business section of the minutes.

Chairperson Heuer asked if there were any other questions or comments, 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  
COLONIAL INTERMEDIATE UNIT NO. 20**

**DOCKET NO. 2440**

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

1. The State Public School Building Authority (the “Authority”) shall undertake the financing of a project (the “Project”) for the benefit of the Colonial Intermediate Unit No. 20 (“Colonial IU”) consisting of the refunding of the State Public School Building Authority’s (“Colonial Intermediate Unit No. 20 Project”) School Lease Revenue Bonds, Series of 2005 (the “2005 Bonds”) and the payment of the costs and expenses of issuing the Bonds (defined below) and obtaining credit enhancement (if any) therefor. At the request of Colonial IU, the Executive Director of the Authority shall have the power to add, delete or substitute any component of the Project but only to the extent permitted by The State Public School Building Authority Act of 1947, as amended, the Pennsylvania Department of Education, and any applicable Federal income tax laws.

2. In order to finance the Project, the Authority will enter into an appropriate trust indenture or supplemental trust indenture (herein referred to as the “Indenture”) with the Trustee herein appointed, and shall issue up to \$13,745,000 in aggregate principal amount of revenue bonds in one or more series (which may be issued on the same or different dates, and which may be either tax-exempt or taxable bonds) to be designated substantially as the “State Public School Building Authority School Lease Revenue Bonds (Colonial Intermediate Unit No. 20 Project)” with an appropriate series designation (such bonds being herein referred to as the “Bonds”). The Bonds may be issued pursuant to a bank loan or through the capital markets. The Bonds shall have a term not to exceed 20 years from the date of their issuance and delivery and shall bear interest at fixed or variable rates acceptable to the Colonial IU, shall mature in such principal amounts and at such times, and shall be subject to redemption, all as approved by the Executive Director in consultation with the Colonial IU and as further provided in a Bond Purchase Agreement hereinafter described.

In the event the Colonial IU requests that the Bonds of any series bear a variable rate rather than a fixed rate of interest, the Executive Director of the Authority is hereby authorized to approve the initial interest rate to be borne by such Bonds, the variable interest rate formula to be used in determining interest due on the Bonds thereafter, and the maximum rate of interest that may be borne by the Bonds (which maximum rate shall not exceed the maximum rate permitted by applicable law) and to appoint an indexing agent, auction agent and/or remarketing agent and to take such other action as may be required in connection with bonds bearing a variable interest rate.

The Bonds shall be issued in such denominations and form and with such terms as shall be set forth in the Indenture and approved by the Executive Director of the Authority. The execution of the Bonds with the manual or facsimile signature of the Governor of the Commonwealth of Pennsylvania, the President or any Vice President of the Authority and the Treasurer 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 Bonds to the Trustee under the Indenture for authentication, and to execute and deliver instructions to the Trustee to deliver the 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 thereof, all in accordance with the requirements of the Indenture.

3. The proceeds from the sale of the Bonds shall be loaned to Colonial IU pursuant to the terms of an appropriate lease or supplemental lease between the Authority and Colonial IU (herein referred to as the "Lease") and shall be applied by Colonial IU for and toward the costs of the Project, including: (a) refunding of the 2005 Bonds, (b) the payment of the costs of issuance of the Bonds, including without limitation, printing costs, fees and expenses of bond counsel, the underwriter or lending institution and the financial advisor of Colonial IU, fees and expenses of the Trustee, and administrative costs and expenses of Colonial IU and the Authority, all upon submission of the proper documentation thereof, and (c) if applicable, the payment of the premium or other cost for credit enhancement or liquidity enhancement for the Bonds if determined to be advantageous by Colonial IU. The Authority is hereby authorized to assign and pledge the Lease Agreement and all revenues to be received by the Authority therefrom to the Trustee under the Indenture to secure the Bonds.

4. The President, any Vice President or the Executive Director is hereby authorized on behalf of the Authority to enter into an appropriate bond purchase agreement or bank loan proposal (the "Bond Purchase Agreement") with the successful underwriting firm or lending institution for the purchase of any series of the Bonds authorized hereunder 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 Bonds of any series authorized hereunder and the financing of the Project: the Indenture, the Lease, the Bond Purchase Agreement or bank loan proposal, and any other documents required in connection with the issuance of the Bonds and the Project, any remarketing agreement, if any of the Bonds shall bear interest at a variable rate, any tax compliance or similar agreement with respect to any Bonds issued as tax-exempt 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 and the Executive Director of the Authority are, and each of them hereby is, authorized to execute, acknowledge and deliver in the name and on behalf of the Authority, and the Secretary or Assistant Secretary are, and each of them hereby is, 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 of the Authority of said documents.

7. Any preliminary official statement or final official statement which may be used in connection with the offer and sale of the Bonds shall be in such form as shall be approved, as to distribution, by the Executive Director of the Authority with the advice of Bond Counsel (as hereinafter defined). The Executive Director is hereby authorized to execute any such preliminary official statement 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 distribution, of such documents. The circulation and distribution of copies of any such documents in connection with the offer and sale of the Bonds is hereby authorized.

8. The Underwriter or lending institution, which shall be selected via a competitive process, is hereby authorized to purchase the Bonds upon the terms and conditions hereof and contained in the Bond Purchase Agreement. Manufacturers and Traders Trust Company shall be and hereby is authorized to act as Trustee under the Indenture in connection with the issuance of the Bonds. At the request of Colonial IU, a bond counsel firm will be approved following an RFP process. The firm selected will be one of the firms listed on the Pennsylvania Governor's Office of General Counsel general pool of qualified law firms.

9. 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 Bonds and the implementation of this Resolution.

10. The Trustee shall be, by virtue of this Resolution and without further authorization from the Authority, authorized, directed and requested (i) to authenticate and deliver the Bonds upon the request of the Executive Director of the Authority, (ii) to invest and reinvest all moneys which by the terms of the 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 Lease, the Bond Purchase Agreement, the distribution of a preliminary official statement and final official statement, and the issuance and sale of the Bonds, all in accordance with this Resolution.

12. 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, lease, bond, instrument or other document executed and delivered with respect to the financing of the Project (collectively, the "Bond Documents") requested by Colonial IU 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 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.

13. 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 **Secretary Topper**, and **SECONDED** by **Mr. Helling**, and after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of May 12, 2015.

**EXHIBIT A**

**COLONIAL INTERMEDIATE UNIT NO. 20**

<b><u>Docket No.</u></b>	<b><u>County</u></b>	<b><u>Project Description</u></b>	<b><u>Maximum Amount To be Financed</u></b>
2440	Northampton	The current refunding of the 2005 Bonds	\$13,745,000

**Maximum Term:** 20 years.

**Interest Rate:** Fixed.

**Rating/Insurance:** To be determined.

**Bond Counsel:** At the request of Colonial IU, a bond counsel firm will be approved following an RFP process. The firm selected will be one of the firms listed on the Pennsylvania Governor's Office of General Counsel general pool of qualified law firms.

**Trustee:** Manufacturers and Traders Trust Company.

**Underwriter or Lending Institution:** to be selected by a competitive process.

**Minority and/or Female Participation in this Financing:** To be determined by the Colonial IU in consultation with the Executive Director of the Authority.

Approved at the SPSBA Board meeting of May 12, 2015.

## **6. OLD BUSINESS.**

### **A. Gift Ban Resolution.**

Chairperson Heuer said that at the April board meeting a discussion was held regarding members of the board, their proxies and staff of the Authority adhering to a gift ban policy. Senator Smucker suggested that the language in the policy be similar to the Governor's Executive Order 2015-01. A resolution was included in the agenda that authorizes the adoption of a gift ban policy. There were two suggested changes after the agendas were delivered to board members. He opened the floor for discussion of this resolution.

Mr. Cohn asked for an interpretation on the breadth of the resolution and an explanation of how it may apply to the board, legislators, staff and row office members in their business that has nothing to do with board business.

Chairperson Heuer asked if he was seeking to see if it only applies to SPSBA and PHEFA business.

Mr. Cohn said yes. He said there have been many outside discussions and different interpretations. But he thought that the board members should have an interpretation on how broad this is from board counsel before they vote.

Chairperson Heuer asked Mr. Baccon if there had been any interpretation from board counsel.

Mr. Baccon said there had not been any interpretation.

Senator Dinniman said that what is done here establishes a precedent. The legislator's counsel tells him that they are not covered by the gift ban. Independent row officers would have to go to their own counsel to determine if they are covered. No matter the context of the resolution, he is perplexed how each independent board or authority can vote separately instead of having everyone covered in the same way. He said that he is in a bind if his leadership feels one way and the Board feels another way. He feels that there should be something that is consistent for everyone. He asked how Representative DeLuca feels.

Mr. Cohn (Representative DeLuca's proxy) said that they are looking for clarification on the policy. He was also hoping that board counsel could give more clear details before voting on this issue.

Executive Deputy State Treasurer Craig said that Treasury had a long standing gift ban policy. Originally their policy only applied to vendors or prospective vendors who did business with the department. When the Governor was elected they began



broadening the policy to apply it absolutely. But they also added a \$25 de minimis exemption.

Executive Deputy State Treasurer Craig feels that the Governor's plan is more difficult. He thinks the motive and intent are good, but it does not apply to Treasury because they are not under the management directives in the Commonwealth. He said that he feels the Governor's gift ban policy is a good idea. But his gift ban does not apply to independent offices that are not under the Governor's jurisdiction.

Ms. Pike-Nase said that the Auditor General (AG) is also an independent row officer. . The AG also had a very long standing gift ban which includes a nominal amount as an exemption. She said that the language in the current resolution is strong enough for the AG because it says it applies to business from and for the financial relations of the the Authority. But she does understand the concern and she thought it would be wise to have a legal opinion from board counsel.

Secretary Topper understands the request for clarification from board counsel with respect to the gift ban boundaries. He said that he is under the current gift ban and likes the zero dollar threshold. He has been to events where he pays for his own lunch and dinner. He favors the message it sends to the general public. He would encourage the Board to move in this direction after clarification.

Senator Dinniman said that he needs more clarification from the Board and legislative leadership.

Senator Smucker said that he believes this resolution was written by staff. He thinks it is pretty clear what the gift ban would cover. He said it is outlined in section A1 of the Resolution. You can't take a gift from anyone seeking to obtain business from, or that has financial relations to, SPSBA/PHEFA. He said it would pertain to activities associated with this board and not more broadly than that. He believes it applies to every staff member, board member, or proxy member of this board.

Senator Smucker did not feel that this was an adoption of the Governor's gift ban policy. He said this would be a gift ban policy adopted by this board and applies to all members of the board. He agrees with Senator Dinniman that if other state boards continue to adopt gift ban resolutions, there could be slightly different language which could result in conflict. But he felt that the language of this resolution applied to members of this board for activities of this board. He is very supportive of a common gift ban law that would apply to all state government, elected officials and employees which would simplify this. He would like to rebuild the public trust in the government institution. He thinks the language in the resolution is very clear and the board could vote in favor of this gift ban resolution today.

Senator Dinniman brought up the point that board members are proxies for their leaders. He thinks that board members should go back and check with their

leaders before voting. He doesn't feel that the vote should be done today. He thinks that if the leaders say yes then it can be done for more boards in the state with the same leadership. He suggested that the vote be tabled until the next meeting.

Mr. Cohn thanked Senator Smucker for explaining the intent. He said that it seems everyone agrees the intent is positive and we support this action for the Board. He believes that everyone wants transparency and the Board supports that too. He also suggested a motion to table this resolution. He suggested that board counsel gives their opinion before the Board votes.

Senator Dinniman mentioned that this could be hard for Treasury and the Auditor General because they already have their own \$25 de minimis gift ban policies.

Executive Deputy State Treasurer Craig said that it is worse than that because Treasury sits on sixteen different state boards. He said that gift ban policies are important and he agrees with the concept. But he is afraid that this could extend farther than intended. He fears that someone could accidentally accept a gift from an entity that they didn't realize had attempted doing business with the Authority in the past. He thinks it would be a good protection to have some sort of de minimis exemption in place for real world situations. He doesn't want to have a problem over someone accidentally taking a water during an event. He does agree with stopping attempts to bribe someone.

Senator Dinniman said we do this in the Senate all the time. If we are voting on something and we have a connection we disclose it and ask the presiding officer for an opinion if the member should vote.

Executive Deputy State Treasurer Craig said what we are trying to prevent is a lobbyist from taking someone out to dinner or a school from saying you can use our facilities for free. He understands that and in those situations the gift ban makes sense. In congress the de minimis exception is \$50. The Treasury de minimis is \$25. He said that maybe the de minimis amount here could be \$15. He worries about the trivial things. He said that there have already been two articles about state workers taking free trips on the Lebanon County bus line. He doesn't feel like that is necessary.

Senator Smucker said that there has been a gift ban on the executive branch for some time that seems to be work. The Turnpike, Liquor Control Board and other boards have already adopted gift bans. If those fairly big boards can do it successfully, then he feels that this board should be able to do the same.

Senator Dinniman reiterated that he needs to vote the way his leader wants him to vote.

Senator Smucker said that he has been appointed to serve as board member. His interpretation is that it applies to them as the appointed board member.

Senator Dinniman said he needs to clarify if he is voting for himself or voting for his leader.

Chairperson Heuer requested that they table this until the next meeting. He said that board counsel will give a legal opinion. He apologized to Senator Smucker, but he believed that some members were not comfortable voting on the issue now.

Senator Smucker said that he would vote no to tabling the gift ban resolution. He said a number of attorneys have already looked at it and he felt that there was enough information to vote on it today. He appreciated the interest in the resolution by the members of the board.

Senator Dinniman suggested that maybe the resolution be amended to include a \$25 de minimis exemption in line with the gift policies of Treasury and the Auditor General.

Chairperson Heuer asked for a motion to table the Gift Ban Resolution.

Upon **MOTION** by **Mr. Cohn**, and **SECONDED** by **Ms. Pike-Nase**, the Resolution was tabled until the next Board Meeting, Senator Smucker voted against tabling the Resolution.

## **7. NEW BUSINESS.**

### **A. Bond Counsel Appointment Policy.**

There was a discussion regarding the new Office of General Counsel (OGC) policy for competitively selecting bond counsel through the use of an RFP. The Board had numerous questions about this policy since it was a significant departure from the previous policy of the schools selecting their bond counsel from a prequalified list. Additional comments were made during the PHEFA board meeting. Both the SPSBA meeting minutes and the PHEFA meeting minutes reflect the entire discussion.

Mr. Baccon explained that bond counsel will now be appointed following an RFP process.

Executive Deputy State Treasurer Craig asked if the RFP process was that of the Community College of Allegheny County or that of the OGC.

Mr. Baccon said that, from what we understand, there are two options for selecting bond counsel. The borrowing institution can do an RFP for bond counsel, review that, and then present that to the OGC. The other option would be for the OGC to do an RFP on behalf of the Authority, evaluate that, and make an appointment. Both options would need to use a list of prequalified bond counsel firms.

Executive Deputy State Treasurer Craig stated that this is the first time he is hearing of these two options.

Ms. Pike-Nase said that the Board should have the authority under the statutory provisions of the State Law. The Auditor General supports the RFP process. But the Auditor General feels that this process should not have been forced upon the Board. The Board has the authority and the fiduciary duties under the statute.

Ms. Pike-Nase also referred to the 2010 Board Resolution saying that you cannot have bond counsel selected after the approval of the project. She said that this board policy is listed on the website. She believes that is the reason that there was some concern brought up by the media.

Mr. Baccon agreed.

Secretary Topper said that he talked with the OGC about the Colonial IU project. The competitive process has been completed and the bond counsel selected was King Spry. That announcement will be made public momentarily. This process wasn't completed when the board materials were put together. The OGC has relied on one of the school's competitive processes. They have also completed two competitive processes on behalf of the Board through OGC. He said that the solicitation process can be done within 5-6 days which is within the standard cycle time for the Board. This proves that the process does not pose a disruption or delay from a scheduling standpoint or in terms of interrupting the business of the Board. He also stated that the process has significant benefits. He said that there was a cost savings of 20-30% in rate reductions for University of Pennsylvania Health System and for other schools that have used this competitive process. There was a 40% Small Disadvantaged Business (SDB) participation on the University of Pennsylvania Health System project since the last board meeting. He said that that was a huge benefit. He believes that adding competition to the process is delivering a large value and should be marketed as a significant benefit to all of our clients.

Executive Deputy State Treasurer Craig disagreed. He said that this process is not working. He felt the actions of OGC were a direct violation of the March board meeting. In March the Board adopted an authority resolution which identified, in writing, a bond counsel. Each board member voted in favor of a law firm that would represent the University of Pennsylvania Health System. Executive Deputy State Treasurer Craig said that he had no idea that another process had been completed and a different firm selected. This decision was brought to his attention by an article in the Tribune Review.

A few board members added that they were also unaware of the change in bond counsel appointment.

Executive Deputy State Treasurer Craig said that this is not a good thing. This is not an example of the new process working. The whole notion of an RFP is that it is

a merit based idea. This is a process that Treasury has used in general obligation debt. But this is something that should be notified to the Board and discussed by the Board. Every board member should know the details of the RFP. The Board should be aware who has applied, the criteria for the RFP, how things are rated and who runs the RFP. None of these details were shared with the Board. The resolution of the Colonial IU says that a bond counsel will be approved following an RFP process. That language was omitted from the March resolution that the Board adopted. The resolution said that Ballard Spahr was selected as bond counsel.

Executive Deputy State Treasurer Craig is concerned with the notion that the indebted agencies, the schools and colleges, who actually pay for bond counsel fees and debt service are not the ones in charge of selecting bond counsel. For at least the last two administrations, it has always been the practice to have great deference to the schools that come before this board to present their own bond team. He asked if Mr. Baccon knew of any schools or institutions that had withdrawn since this policy.

Mr. Baccon said that he was aware of three institutions that had withdrawn due to the new policy.

Executive Deputy State Treasurer Craig asked if that is the mark of success for this Authority. He also asked who ran the RFP. He wasn't sure if it was the Colonial IU or OGC. He inquired how many people applied and what selection criteria was considered. He said that the Board should be advised before voting on these things.

Secretary Topper said he is in favor of building a process to make sure the Board gets better information about the firms that applied, the process by which the RFP is scored and the results of the RFP. He agrees that this information should be provided to the Board. He doesn't think that OGC will step back from awarding these bond counsel contracts competitively. He said that bond counsel firms are going to have to be bid competitively for the resolutions to be approved by OGC. That is a bottom line position of the administration.

Executive Deputy State Treasurer Craig said that their bottom line is that they don't have to vote for them. He said the real root of the question is who is running the RFP. He asked why the OGC is in charge of the RFP. He stated that it is not the Commonwealth's money, it is not the Commonwealth's debt issuance and it is not the Commonwealth's decision to create the debt. It is the school's money. Executive Deputy State Treasurer Craig said that he assumes that the University of Pennsylvania Health System has a long standing relationship with Ballard Spahr. Ballard Spahr knows the school's finances and they were probably part of the structure. They actually, according to the minutes, showed up to the board meeting. Then Executive Deputy State Treasurer Craig read in the paper that it was not Ballard Spahr that was selected as bond counsel. He was surprised that nobody notified the Board. And in the meantime, three schools have already withdrawn their business from the Board. He said that he doesn't view these as matrix of success. Executive Deputy State Treasurer Craig said that he appreciates the OGC's position. He is in favor of RFPs.

He thinks that RFPs work. But he isn't sure that it is the business of the Commonwealth to decide who the schools transact their business with.

Secretary Topper stated that he believes it is a requirement that a competition occurs.

Executive Deputy State Treasurer Craig said that is fair. But that is a discussion that the Board never had. It was not brought to the Board. He finds it inherently offensive that the Board voted on something and later found out that there was a material incorrectness in the document that the Board relied upon. He thinks that there is an excellent staff that does a great job. But he shouldn't have to read in the Tribune Review that what the Board voted on is not correct. Executive Deputy State Treasurer Craig compared this situation to the General Assembly passing a bill and then at the last minute the Governor saying I am going to strike that provision before I sign it.

Ms. Pike-Nase said it was even worse than that. She said the Board cannot approve something unless they know about it. She said that it was great to know the information about the bond counsel for the upcoming project. But she inquired whether that information would be provided for every project.

Secretary Topper said that he is hearing, loud and clear, that more structure needs to be built into this process so that the Board is better informed, in a timely way, about the results of the competitive process. He feels that is an achievable goal that can be in place by the next time the Board meets.

Executive Deputy State Treasurer Craig said that the other important role is to make the Board accessible and easy for the schools, colleges and universities to do business with. He said that if the Community College of Allegheny County wants to conduct their own RFP and determine how they want to calculate cost then that is appropriate since they are paying the bill. It should be up to the school to decide if competency is more important than cost.

Executive Deputy State Treasurer Craig said that the board members need to know the details of the RFP selection. He referred to the Colonial IU documents which indicate a law firm. He stated that he has never heard of this law firm. Executive Deputy State Treasurer Craig said he is sure that they are qualified. He inquired if they have co-counsel. He mentioned that for five years he has noticed only one law firm doing the all of the work. Now suddenly he is seeing multiple firms doing the same work. He asks if there is more than one firm doing the work for the IU.

It was indicated by Mr. Shearer that there is not a co-counsel for the IU.

Senator Dinniman said the difficulty is that the Board is constructed to make sure that everyone is represented, each caucus is represented, and the two independent row officers are on the Board. Whatever is done in the process you are suggesting

really needs to be put together because it is an Authority, it is not a subcommittee. There was an agreement, a long time ago, between all the players that be, similar to the Commonwealth's Finance Agency that has the four caucuses and the Governor's Representative. We are here because our leader selected us and sent us here. They assume that we are overseeing a process here. But if we don't know all of the information it makes it difficult for us to do our duty. This structure is based on everyone working together. He questioned if there was a way to work together and keep the notion of competitive bidding. He suggested working out a process for competitive bidding that is respectful to both the universities and the Board. He proposed requiring the universities to show us that they have done some type competitive bidding process on their own and then examining that. He said it would be better that they do the competitive bidding than us, if they are paying the bill. He suggested trying our best to allow the Authority to do what it has to do and at the same time maintaining the competitive bidding. He said there needs to be a way to share this responsibility. That is the nature of the composition of the Authority when it was formed. These authorities were created to form a shared governance. The board members come together after speaking with their leaders to oversee a process. It is our responsibility, as board members, to preserve that authority in cooperation. He hopes to find a middle ground where we can still respect the colleges and universities and everyone's authority on this issue.

Senator Dinniman thought that maybe the Board and OGC could decide together that it would be better for the universities to do their own competitive bidding and then submit that to the Board since the universities are paying the bill. If there is an exception, the university could explain that to the Board. The university may have a reason, based on their experience, that something would cost less. He reiterates that he hopes everyone can find a middle ground on this issue. He said that the OGC can come back to the Board with ideas and concepts for this process.

Secretary Topper said that he thinks it is quite possible to build a process to provide transparency into how award decisions are made that is acceptable to everyone on the Board. He said the process may even include direct participation and involvement through a subcommittee. He would like to go back to the OGC and sit down with General Counsel Smyler to see if they can work out a process that provides the kind of input and participation that the Board is looking for. He agreed that the disconnect between what was approved at the last board meeting and the ultimate award of bond counsel should not have occurred. He feels that the Board needs a process to make certain that does not happen again. This process will need to be executed in a timely way. They need to be completed within a matter of days in order to make sure we can continue to meet the business needs of the clientele.

Senator Dinniman asked how the contract offered to this law firm was a legal contract when it was never approved by the Board. He asked if it would have to be brought back to the Board for approval. He inquired how the OGC could approve a contract without the Authority if the Authority has the responsibility. He said that he was asking because he is not a lawyer.

Secretary Topper said he is not a lawyer either. But he thought that was a good question for a lawyer. He stated that the position of the OGC is that this is their contract. They have historically appointed bond counsel for all of these projects.

Ms. Pike-Nase said that the OGC approves the bond counsel at the request of the entity.

Executive Deputy State Treasurer Craig responded that OGC has never, in the past two administrations, selected the bond counsel. He said that it has always been the school that has selected the bond counsel firm. As long as OGC says that firm is qualified, then they have approved that firm. The Commonwealth does not pay the bond counsel fees, those fees are paid by the school that selected the firm. So the cost savings are not that of the Commonwealth. This is a cost reduction to the college. Executive Deputy State Treasurer Craig feels that it should be up to the college to determine if it is a good thing. If they are only saving a small amount, they may prefer to work with the more expensive firm that they have worked with for many years because they know their finances. Saving a small amount of money and going with a different firm may not be a good thing for the college.

Ms. Pike-Nase stated that the Board already has a resolution that was approved in 2010. The Board would need to rescind that one and replace it with a new resolution that they can all agree on. She really appreciated Senator Dinniman's comments. She understands that the OGC wants to do this process, but feels that the entities also need to agree that is the way it should be done.

Executive Deputy State Treasurer Craig said that three schools have already said they didn't agree and walked away.

Chairperson Heuer agreed that we don't want to turn entities away.

Senator Dinniman reiterated that we must find common ground. He wants to respect the Authority and have the competitive bidding that the Governor's office wants. He believes that both can be done. He said that universities can make a decision and simply explain their decision. He said that there are many times when the lowest bid may not be selected for a variety of reasons. But at least everyone will be aware of what those reasons are. The Treasurer and Auditor General raise these questions and we, as legislators, make sure that the legislative body is involved in the process.

Chairperson Heuer says that we will discuss with OGC, Treasury, the Auditor General and the Authority to form a process together. He said we will have the Board come to an agreement on the process going forward.

Secretary Topper said that he will come up with a draft process that we can then distribute and consider as a business item for the next meeting.



Senator Smucker asked if the action taken in the bond counsel selection outside of the minutes that were passed was valid.

Mr. Baccon explained that the day before the University of Pennsylvania Health System issue was presented to the Board, the staff had been informed that it was anticipated that the appointment would be for the selected bond counsel. The staff had been trying to get the OGC to make the appointment. And then because of the process in progress to come up with the appointment of bond counsel they then said that we needed to go out with an RFP for this. So OGC issued an RFP on our behalf. It was evaluated and scored by the OGC. Our staff evaluated it with letters. The OGC equated those letters to a numeric value and came up with the results. That was how the firms that were appointed as co-counsel were selected. He said that as far as our bringing this to the Board, we were under the impression that this was something that we would hear about within the next day or two. We didn't want to hold up the University because they were saving an incredible amount of money on the refunding portion of the bond issue.

Ms. Pike-Nase asked if Mr. Baccon believed that University of Pennsylvania Health System was happy with their bond counsel appointment.

Mr. Baccon said that he had not heard anything to the contrary.

Executive Deputy State Treasurer Craig referred to the minutes from the March board meeting. He said paragraph 14 from the adopted resolution says that at the request of the System the OGC has appointed Ballard Spahr as the bond counsel for this issuance. This was what we voted on.

Senator Dinniman says that we may need to change the minutes at a later time. Because the record doesn't reflect the action.

Chairperson Heuer asked if Executive Deputy State Treasurer Craig would like to further discuss the bond counsel selection.

Executive Deputy State Treasurer Craig said the resolution has already gone out. He wondered if the board needed to take some sort of remedial action. He said that maybe it was already too late. He inquired if the University had already gone to market.

Mr. Baccon said that yes, they have.

Executive Deputy State Treasurer Craig continued to say that the board has been relegated to a general bid of irrelevancy on this issue. He said he can't stress enough, as a fiduciary here, that this is a huge violation. The authority of this board was expressed in resolutions. A resolution is a legal document that authorizes certain activity as this board has directed. That resolution simply did not have impact. He is upset that board members were not told any of the details of the new competitive

process and bond counsel selection. He had to read about it in the paper. He is displeased that three schools have already decided to take away their business because the bond counsel decision was being taken out of their hands. This is an issue of trust. There was something that undid board action without consultation or even notice to the board. That is a very big violation.

Senator Dinniman asked to have the minutes reflect that Secretary Topper is going to discuss these issues with OGC. The OGC will then bring back to the board a competitive bidding process that is respectful to both the board authority and the universities. He also wanted the minutes to reflect the fact that eventually there has to be something done to correct the resolution and the original minutes. He mentioned his concern for audit purposes. He asked Ms. Pike-Nase if the Auditor General audits this Authority.

Ms. Pike-Nase said no, because there is a conflict of interest.

Executive Deputy State Treasurer Craig expressed his concern over Harrisburg City and other authorities being investigated by the SEC and other law enforcement agencies for misrepresenting statements related to bond issuance documents. He doesn't think that OGC should be able to change bond counsel selections or make policy changes on their own. He thinks this establishes a dangerous precedent. He said that board members could get in trouble if they don't exercise their fiduciary obligation.

Ms. Pike-Nase said that she has been on this board for about 10 years. She stated that Auditor General supports the RFP process, but he feels that he was blindsided. The Auditor General is on the board, not OGC. It is not the Governor that we represent. The governing statutes of SPSBA and PHEFA have been in place since 1947 and 1967 respectively. It is very clear that the board has the authority to choose bond counsel, the solicitors and everything else. She is not sure why the OGC thinks they have authority over the board.

Secretary Topper said he cannot speak for OGC. But he assured the board that this will be his next topic of conversation with OGC. He wanted to reassure the board that there is no intent to use what transpired in the University of Pennsylvania Health System deal as a precedent. And there is no intent to do the same with future projects. He thinks that OGC felt conflicted between the various public announcements that were made, the executive order and different competing themes in play at the time this decision was made.

Senator Dinniman asked if there was an executive order for competitive bidding.

Secretary Topper informed him that there was.

Executive Deputy State Treasurer Craig said it is not just an actual violation of trust. He said there is also a real public appearance problem. The bond work went to General Counsel Smyler's former law firm. She worked at that firm four months ago. It may be a matter of coincidence. But it looks really bad, particularly when it was done without the knowledge of the board. That only compounds the public perception problem. The whole point of the gift ban was to increase public perception. But this bond counsel appointment is way more destructive to public perception than a de minimis gift ban item as trivial as a bottle of water.

Senator Smucker agrees and thinks that this point has been made effectively. He questions whether the board should send a letter expressing their displeasure to OGC. He questions the point of board meetings and decisions if they aren't going to mean anything. He feels that the board has a fiduciary responsibility with real impact. A violation of that has real bearing. He said this problem has been talked about a lot at the meeting but maybe the board should also put their displeasure into writing.

Chairperson Heuer requests that the board has a discussion with General Counsel before writing a letter.

Secretary Topper agrees that would a good idea. He thinks the board will get further by approaching this as a discussion as opposed to a formal letter.

Executive Deputy State Treasurer Craig said he also agrees because he doesn't want to purposely embarrass anyone. But if someone comes back to the board and says that they are OGC and they can do what they want, then he will lose patience very quickly.

Senator Dinniman suggests that since Ms. Pike-Nase has been on the board for a long time and she quoted the statutory authority, it would be helpful if that was given to Secretary Topper when he goes to talk to the General Counsel Smyler. That way she is aware of the statutory authority. The last people who should ignore the statutes is the General Counsel's office because they are supposed to enforce these statutes. Then if there is a negative response, there is no choice but to do a letter.

Ms. Pike-Nase says that she has a legal opinion that was done in 2010.

Secretary Topper said please feel free to share that and anything else in terms of support materials. He will have this conversation with OGC as soon as possible. He thinks that the General Counsel should be made aware of the discomfort that this situation has caused. The process that we build going forward should be as informed as possible. He suggests inviting General Counsel Smyler to the next meeting.

Senator Smucker agrees that inviting her to the next meeting would be great. He is not suggesting that we have to do a formal letter because it is not the intent to embarrass anyone. But there is a situation where a decision was made, that relates to

this board, which is questionable at best. There has already been some public scrutiny and may be more to come in terms of how that decision came about. He feels the need to state publicly that the board members are dissatisfied and were not a part of the decision that was made. He said that perhaps that could be done with the board meeting minutes.

Chairperson Heuer said that the minutes of this meeting will reflect this discussion. And when the board approves the minutes at the next meeting, it will be with any additions or changes to everyone's satisfaction.

Chairperson Heuer asked if there was any other 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. Helling**, the SPSBA Board Meeting was adjourned at 11:31 a.m.

## SUNSHINE ACT MEETING NOTICES

Thursday, April 30, 2015

**If you need an accommodation due to a disability,**

please contact the ADA contact name listed below

**Dept. of Banking and Securities - Banking and Securities Commission Meeting:**

May 6, 2015, 1:00PM. 17 N. Second St., 1st Fl. Hearing Rm., HBG. Contact Name: Cathy Fagan 787-5383

State Civil Service Comm. Hearings: May 11, 2015 10:00 AM. 320 Market St.,

4th Fl. Hearing Rm., HBG. Add'l Hearings scheduled on 5/12/15 at 10 AM,

5/18/15 at 10 AM, 5/19/15 at 9:30AM, 5/21/15 at 10 AM, 5/22/15 at 10 AM,

5/26/15 at

**10 AM, same location as above. State Civil Service Meeting is scheduled on**

5/20/15 at 10:30 AM.

Contact Name: Michael Sullivan 787-5343

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SPECIAL: State Public School Building Authority and PA Higher

Educational Facilities Authority Meetings: May 12, 2015, 10:30 AM.

North Office Bldg., Room 515, HBG.

Contact Name: Bev Nawa 975-2204

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RESCHEDULED: Fee for Service Subcommittee Meeting of the Medical

Assistance Advisory Committee: May 13, 2015, 10 AM - 12 PM. Bureau of Fee

for Service Programs, Cherrywood Bldg., #33, 49 Beech Drive, HBG. Contact Name: David Fitzkee 257-7792

SPECIAL: Small Water Systems TAC Board Meetings: May 18, 2015, 9:00AM.

SCRO, 909 Elmerton Ave., 1st Fl., Conf. Rm., HBG. Also scheduled on 5/26/15

at RCSOB, Rm. 105, HBG. at 9 AM.

Contact Name: Christina Ackerman 783-9712

Organ Donation Advisory Committee Meeting: June 4, 2015, 10 AM - 3

PM. Giant Community Center, 2nd Fl. Giant Center Food Stores, 3301

Trindle Rd., Camp Hill.

Contact Name: Serina Gaston 787-6214

Appeared in: ***Patriot-News*** on Thursday, 04/30/2015

Appendix A

STATE PUBLIC SCHOOL BUILDING AUTHORITY  
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY  
Notice of the Meeting of the Board to be Held  
May 12, 2015

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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 **Tuesday, May 12, 2015**, 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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Appendix A

Harrisburg, PA

I CERTIFY that the notice on the previous page for the May 12, 2015, meetings was dispatched to the following on April 24, 2015, 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 – 18<sup>th</sup> 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  
Mike Turzai, Speaker of the House of Representatives  
139 Main Capitol Building, Harrisburg, PA  
Anthony M. DeLuca, Designated by the Minority Leader of the House of Representatives  
115 Irvis Office Building, Harrisburg, PA  
Christopher B. Craig, Executive Deputy State Treasurer  
129 Finance Building, Harrisburg, PA  
Eugene A. DePasquale, Auditor General  
229 Finance Building, Harrisburg, PA  
Curtis M. Topper, Acting Secretary of General Services  
515 North Office Building, Harrisburg, PA  
Pedro A. Rivera, Acting Secretary of Education  
333 Market Street - 10th Floor, Harrisburg, PA

GIVEN under my hand and seal this 24th day of April 2015.

/s/ Robert Baccon

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