

Meeting of the Board
STATE PUBLIC SCHOOL BUILDING AUTHORITY
April 9, 2015
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 March 10, 2015.
3. Financial Report for the Month of February 2015.
4. 2015-2016 Fiscal Year Administrative Fund Budget.
5. Investment Policy – Annual Review.
6. Revolving Loan Fund.
7. Approval of Projects.
 - A. Resolution Authorizing the Undertaking of a Project on Behalf of the Community College of Philadelphia.
8. Old Business.
 - A. Executive Order 2015-01.
9. New Business.
10. 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, April 9, 2015 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 meeting is attached to these minutes and identified as Appendix "A".

Board Members Present

Steven Heuer, (Proxy for Governor Thomas W. Wolf)
Lisa Felix, (Proxy for Senator Andrew E. Dinniman)
Jennifer Langan, (Proxy for Executive Deputy State Treasurer Christopher B. Craig)
Christal Pike-Nase, (Proxy for Auditor General Eugene A. DePasquale)
Acting Secretary of General Services Curtis M. Topper
Ernie Helling, (Proxy for Acting Secretary of Education Pedro A. Rivera)

Board Members Absent

Speaker Mike Turzai
Senator Lloyd K. Smucker
Representative Anthony M. DeLuca

Authority Personnel Present

Robert Baccon, Executive Director
David Player, Comptroller
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
Joel Snavely, Treasury Manager, Pennsylvania State System of Higher Education
Nilda Sather, Senior Treasury Accountant, Pennsylvania State System of Higher Education

Participated Via Conference Call

LaToya Sawyer, Esquire, Buchanan Ingersoll & Rooney, PC
Joshua Pasker, Esquire, Saul Ewing, LLP
Jim Spiewak, Assistant Vice President, Budget & Financial Services, Community College of Philadelphia

2. APPROVAL OF THE MINUTES OF THE MEETING OF MARCH 10, 2015.

A copy of the minutes of the meeting of March 10, 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 March 10, 2015, be and hereby are approved as presented.

Upon **MOTION** by **Ms. Langan**, and **SECONDED** by **Ms. Pike-Nase**, and after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of April 9, 2015.

3. FINANCIAL REPORT FOR THE MONTH OF FEBRUARY 2015.

The Financial Report for the month of February 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 February 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 **Ms. Langan**, and after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of April 9, 2015.

4. 2015-2016 FISCAL YEAR ADMINISTRATIVE FUND BUDGET.

Chairperson Heuer explained that a copy of the 2015-2016 budget was e-mailed to board members. Chairperson Heuer asked Acting Secretary Topper, as head of the Budget Committee, if he would like to offer any comments.

Acting Secretary Topper explained that the Budget Committee met on March 27th to review the proposed budget. Also in attendance were Steve Heuer, Robert Baccon and Dave Player. Several expense categories were reviewed and the impact of a new accounting standard dealing with pensions was discussed. The proposed budget totaled \$1,707,000, which was \$54,000 less than the current budget. The agenda provided a summary of significant budget items. Dave Player was available to answer questions.

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

Ms. Langan asked if provisions had been made for the change in the AFSCME contract.

Mr. Player said that he had provisions in place.

RESOLUTION APPROVING THE 2015-2016 FISCAL YEAR ADMINISTRATIVE FUND BUDGET.

WHEREAS, the Administrative Budget for the State Public School Building Authority for the period July 1, 2015, through June 30, 2016, has been reviewed and recommended for approval by the Authority's Budget Committee;

NOW, THEREFORE, BE IT

RESOLVED: That the Authority's Administrative Budget of \$1,707,000 for the fiscal year July 1, 2015, through June 30, 2016 be approved; AND BE IT

FURTHER RESOLVED: That the Executive Director be authorized to approve changes or revisions within account allocations consistent with the limits of the Authority Budget herein approved; AND BE IT

FURTHER RESOLVED: That a copy of the 2015-2016 Budget, as approved, be filed with the minutes of this meeting.

Upon **MOTION** by **Acting Secretary Topper**, and **SECONDED** by **Ms. Langan**, and after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of April 9, 2015.

5. INVESTMENT POLICY – ANNUAL REVIEW.

Chairperson Heuer explained that the Audit Committee (committee) reviewed the Investment Policy as part of the Board's annual review. The content remained unchanged.

Chairperson Heuer mentioned that Dave Player or Ms. Pike-Nase were available to answer questions.

6. REVOLVING LOAN FUND.

Mr. Baccon explained that there were no closing since the March meeting and we have no pending projects.

7. APPROVAL OF PROJECTS.

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

Mr. Baccon explained that the Community College of Philadelphia requested that we issue a maximum of \$65,000,000 in revenue bonds to finance the renovation of the college's biology labs, replace certain escalators and other renovations, repairs and capital improvements to the college's facilities. Proceeds will also be used to advance refund all or a portion of our series of 2008 revenue bonds.

The Bank of New York Mellon Trust Company is the Trustee for this issue and at the request of the college, the Office of General Counsel has appointed Saul Ewing as the bond counsel.

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

Jamie Doyle of PFM is in attendance and Jim Spiewak, Assistant Vice President, Budgets & Financial Services for the College and Joshua Pasker of Saul Ewing are participating by conference call to answer any questions.

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

Ms. Pike-Nase asked what the other renovations, repairs and capital improvements were.

Ms. Doyle said that approximately \$5.9 million was for biology labs and \$2.4 million was for escalator renovations. The other renovations mentioned is a catch all.

Chairperson Heuer asked if board members had 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
THE COMMUNITY COLLEGE OF PHILADELPHIA**

DOCKET NO. 2441

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The State Public School Building Authority (the "Authority") shall undertake a project (the "Project") on behalf of the Community College of Philadelphia (the "College") generally anticipated to consist of one or more of the following components: (i) finance certain capital projects of the Community College of Philadelphia (the "College") including (a) renovating the College's biology labs, (b) replacing certain escalators located in the College's West Building, and (c) various other renovations, repairs and capital improvements to its facilities; (ii) the advance refunding of all or a portion of the Authority's Community College of Philadelphia Revenue Bonds, Series of 2008 (the "2008 Bonds"); and (iii) the payment of certain costs of issuing the 2015 Bonds (including bond insurance or other forms of credit enhancement if advantageous to the College) (defined below).

2. In order to finance the Project the Authority will enter a Trust Indenture with The Bank of New York Mellon Trust Company, N.A., as trustee (the "Indenture") and shall issue up to \$65,000,000 (exclusive of any original issue discount) in aggregate principal amount of bonds to be in one or more series as either taxable or tax-exempt (which may be issued on the same or different dates) to be designated "State Public School Building Authority, College Revenue Bonds (Community College of Philadelphia Project), Series of 2015" (or such other designation, as appropriate) with the appropriate alphabetical series designation, as applicable (the "Bonds"). The Bonds shall have a term not to exceed twenty (20) years and shall bear interest at a fixed rate acceptable to the College, shall mature in such principal amounts and at such times, and shall be subject to redemption and purchase, as applicable, all as approved by the Executive Director of the Authority in consultation with the College and further provided in one or more Bond Purchase Agreements (as hereinafter defined).

The Bonds shall be issued in such denominations and form and under such terms as shall be set forth in the Indenture used in connection with the issuance of the Bonds and approved by the Executive Director. The execution of the Bonds with the manual or facsimile signature of the President of the Authority and the Treasurer of the Authority together with a manual or 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 and directed 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, all in accordance with the requirements of the Indenture.

3. The proceeds from the sale of the Bonds shall be loaned to the College pursuant to the terms of Loan Agreement between the College and the Authority (the "Loan Agreement") and shall be applied by the College for and towards the costs of the Project including, without limitation, printing and reproduction costs, fees and expenses of bond counsel and underwriter's counsel, fees and expenses of the Trustee, and administrative costs and expenses of the College and the Authority, all upon submission of the proper documentation thereof; the payment of the premium for a policy of municipal bond insurance if determined to be advantageous by the College; and the funding of funds established under the Indenture, to the extent necessary.

4. The President, any Vice President or the Executive Director of the Authority is hereby authorized to negotiate with an underwriter hereinafter appointed for an acceptable proposal for the purchase of the Bonds issued hereunder, to enter into one or more purchase agreements (each, a "Bond Purchase Agreement") for such purpose in accordance with the terms of this resolution and the President, any Vice President or the Executive Director is hereby authorized to execute and deliver each Bond Purchase Agreement on behalf of the Authority and to take such further action as may be required or proper to carry out the obligations of the Authority thereunder.

5. The Authority does hereby authorize the execution and delivery of any documents to which the Authority is a party and which are required to be executed and delivered in connection with the financing of the Project and the issuance of the Bonds authorized hereunder, including but not limited to the Indenture, Loan Agreement, Bond Purchase Agreement and any escrow agreements required in connection with a refunding, provided that all such documents shall be in such form as shall be acceptable to Bond Counsel, the Office of General Counsel, the Attorney General of the Commonwealth and Authority Counsel and as shall be approved by the Executive Director of the Authority.

6. The appropriate officers of the Authority, including the President, the Vice President and the Executive Director are, and each of them is hereby authorized and directed to execute such further documents and do such further things as may be necessary or proper to carry out the intent and purpose of this Resolution or any document herein authorized.

7. The appropriate officers of the Authority, including the President, the Vice President, the Executive Director or any Assistant 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, escrow agreement, loan agreement, bond, instrument or other document executed and delivered with respect to the financing of the Project (collectively, the "Bond 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, if applicable.

8. The President, any Vice President or the Executive Director of the Authority shall be, and each of them is hereby, authorized and directed to execute, acknowledge and deliver in the name of and on behalf of the Authority, and the Secretary or Assistant Secretary of the Authority shall be and each of them is hereby authorized and directed to attest and affix the official seal of the Authority (if any) 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 the forms of said documents.

9. The form of any preliminary official statements, reoffering circulars and/or final official statements (collectively, the "Offering Documents") which may be used in connection with the sale and issuance of the Bonds shall be approved by the Executive Director with the advice of Bond Counsel and Authority Counsel. The Executive Director shall be and hereby is authorized and directed to execute any such final Offering Documents, and such execution by the Executive Director shall constitute conclusive evidence of the Authority's approval of the form of such documents. The Authority is hereby authorized to circulate and distribute copies of any such Offering Documents in connection with the Project.

10. The appropriate officers of the Authority are hereby authorized to take such further action and to execute any and all other documents and certificates, in addition to those specified above, as shall be required in connection with the issuance of the Bonds and the implementation of this resolution.

Upon **MOTION** by **Ms. Langan**, and **SECONDED** by **Ms. Pike-Nase**, and after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of April 9, 2015.

EXHIBIT A

COMMUNITY COLLEGE OF PHILADELPHIA REVENUE BONDS

<u>Docket Number</u>	<u>County</u>	<u>Project Description</u>	<u>Maximum Amount To be Financed</u>
2441	Philadelphia	(i) financing certain capital projects of the Community College of Philadelphia (the "College") including (a) renovating the College's biology labs, (b) replacing certain escalators located in the College's West Building, and (c) various other renovations, repairs and capital improvements to its facilities; (ii) the advance refunding of all or a portion of the Authority's Community College of Philadelphia Revenue Bonds, Series of 2008 (the "2008 Bonds"); (iii) the payment of certain costs of issuing the 2015 Bonds (including bond insurance or other forms of credit enhancement if advantageous to the College)	\$65,000,000*

Term: Not more than twenty (20) years.

Rate: Fixed Rate not to exceed 7.50% per annum.

Rating: "A1" (underlying from Moody's Investor Services, Inc.).

Minority, Veteran and/or female participation in this issue: McElwee & Quinn (financial printer).

Underwriter: TBD.

Bond Counsel: At the request of the College, the Office of General Counsel has appointed Saul Ewing LLP as Bond Counsel.

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

Approved at the SPSBA Board meeting of April 9, 2015.

* Exclusive of any original issue discount.

8. OLD BUSINESS.

A. Executive Order 2015-01.

Chairperson Heuer originally tabled this agenda item, however the board wanted discussion from the PHEFA board meeting to also be reflected in the SPSBA minutes.

Chairperson Heuer asked Senator Smucker to comment since he sent a letter about this issue.

Senator Smucker explained that there was a discussion about the Executive Order at the last meeting but it wasn't clear if it applied to all members of the board. He requested that the board pass a resolution adopting similar language as the Governor's Executive Order and agree to abide by and apply to all members of the Authority.

Chairperson Heuer asked if other members wanted to comment.

Ms. Langan indicated the issue with the Executive Order is that it amends the Governor's Code of Conduct which does not apply to all the members of the Authority. The members of the board may be designees but they have an appointing authority, especially the legislature, which binds them and their appointing authority. There could be unintended consequences that the board may need to go back and reevaluate.

Senator Smucker further clarified what the board would be voting on. He is not requesting that the board adopt the Executive Order but would include language that mirrors the Executive Order and the board would specifically vote on and agree to have it apply to all members of the board. The Governor has requested as part of the Executive Order that all boards and commissions consider a gift ban proposal. He asked that this Authority do the same. It would not be an adoption of the Executive Order because there is a separation in the powers of our government that is important to recognize. It would be a resolution that adopts language that is similar to the Governor's Executive Order.

Ms. Pike-Nase asked if the Senator had a draft of the resolution that he thought the board should adopt.

Senator Smucker said that they could put one together. His thought was that they could take the language of the Executive Order and adopt it here. Since it would be an independent action there is nothing to prevent the board from making changes if there are specific concerns by members of the Authority.

Acting Secretary Topper thanked Senator Smucker for his leadership on this issue. He believed that the staff should be able to pull together language from the Executive Order to draft a resolution for the board to act on for the next meeting. He

requested that of the staff. He thought most critical is the \$0 threshold, which is the key theme and separates the Governor's Executive Order from past practice. He asked that that key point is maintained in whatever language is adopted.

Chairperson Heuer thanked the board.

Senator Smucker reiterated that it would be on the agenda for the next meeting.

Chairperson Heuer agreed.

Ms. Felix suggested that since the board would not be voting on the adoption of Executive Order 2015-01, it should be withdrawn instead of tabled.

It was agreed that the Executive Order agenda item be withdrawn.

9. 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.

10. ADJOURNMENT.

There being no further business to come before the Board at this time, upon **MOTION** by **Ms. Langan**, and **SECONDED** by **Mr. Helling**, the SPSBA Board Meeting was adjourned at 10:36 a.m.

SUNSHINE ACT MEETING NOTICES

Thursday, April 2, 2015

If you need an accommodation due to a disability,

please contact the ADA contact name listed below

RESCHEDULED: State Board of Massage Therapy Meeting: April 7, 2015,

9:30AM. 2601 N. Third St., HBG. SPECIAL: State Board of

Massage Therapy- **Regulations Committee Meeting scheduled**

after meeting adjournment. Contact Name: Nicole Thurstin 787-

6604

PA Game Commission Board of Commissioner's Meeting: April 9,

2015, 8:30AM. Game Commission Bldg., 2001 Elmerton Ave., HBG.

Add'l meeting scheduled

4/10/15, same time and location as above. Purpose of meeting: To discuss Game

Commission business.

Contact Name: Joan French 787-7836

PA Apprenticeship and Training Council Meeting: April 9, 2015, 10:00 AM. Labor & Industry
Bldg., 17th Fl. Conf. Rm., HBG

Contact Name: Debra Wagner 787-4671

State Transportation Advisory Committee (TAC) Meeting: April 9, 2015,

10:00 AM. Keystone Bldg., Conf. Rm. 8NI, 400 North St., HBG.

Attendees are required to enter through the main entrance of the

building and proceed to the **reception area.**

Contact Name: Julie Harmantzis 787-2913

SPECIAL: State Public School Building Authority and PA Higher

Educational Facilities Authority Meeting: April 9, 2015, 10:30

AM. North Office Bldg., Rm. 515, HBG.

Contact Name: Bev Nawa 975-2204

PA State Veterans Commission Meeting: April 10, 2015, 10:00 AM.

Arrowheads Community Club, Bldg. 9-65, Fort Indiantown Gap, Annville. Contact Name: Joyce Gibson 861-8902

Appeared in: **Patriot-News** on Thursday, 04/02/2015

Appendix A

STATE PUBLIC SCHOOL BUILDING AUTHORITY
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
Notice of the Meeting of the Board to be Held
April 9, 2015

Notice was in letterform, as follows:

This letter advises that a meeting of the State Public School Building Authority and the Pennsylvania Higher Educational Facilities Authority Boards will be held on **Thursday, April 9, 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 April 9, 2015, meetings was dispatched to the following on March 25, 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 – 18th Floor, Harrisburg, PA
Lloyd K Smucker, Designated by the President Pro Tempore of the Senate
351 Main Capitol Building, Harrisburg, PA
Andrew E. Dinniman, Designated by the Minority Leader of the Senate
182 Main Capitol Building, Harrisburg, PA
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 25th day of March 2015.

/s/ Robert Baccon

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