

Meeting of the Board
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
February 5, 2015
Room 515 North Office Building
Harrisburg, Pennsylvania
10:52 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. Election of Officers for 2015.
3. Approval of the Minutes of the Meeting of December 18, 2014.
4. Selection of New Audit Firm.
5. Approval of Projects.
 - A. Resolution Amending a Prior Resolution Which Authorized a Project on Behalf of Thomas Jefferson University.
6. Old Business.
7. New Business.
8. Adjournment.

1. CALL TO ORDER, FILING OF PROOF OF SUNSHINE NOTICE AND OF SENDING NOTICE OF THE MEETING, ROLL CALL AND ANNOUNCEMENT OF QUORUM.

With a quorum of the Board being present, the meeting of the Board of Pennsylvania Higher Educational Facilities Authority was called to order on Thursday, February 5, 2015 at 10:52 a.m. prevailing time, in Room 515 North Office Building, Harrisburg, Pennsylvania. The proof of the Sunshine advertisement and certification in regard to sending the notice of meeting is attached to these minutes and identified as Appendix "A".

Board Members Present

Steven Heuer, (Proxy for Governor Thomas W. Wolf)
Kelly Phenicie, (Proxy for Senator Lloyd K. Smucker)
Tom Lebo, (Proxy for Senator Andrew E. Dinniman)
Alan Cohn, (Proxy for Representative Anthony M. DeLuca)
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

Board Members Absent

Speaker Michael C. Turzai
Acting Secretary of Education Pedro A. Rivera

Authority Personnel Present

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

Also Present

William McCarty, Esquire, Hartman Underhill & Brubaker LLC
Kathryn Cerulli, Pennsylvania Treasury
Danielle Guyer, Director of Budgetary Affairs for the Speaker of the House of Representatives

Participated Via Conference Call

Margaret Angel, Esquire, Buchanan Ingersoll & Rooney, PC
Valarie Allen, Esquire, Ballard Spahr LLP

2. ELECTION OF OFFICERS FOR 2015.

Chairperson Heuer explained that there is a revised print out of this item, updating the Treasurer to Christopher Craig who is the Executive Deputy State Treasurer.

He explained that the officers of the Authority are elected at the first board meeting of the year and this year we only have one incumbent officer. Typically the Governor serves as President of the Authority and the three Vice Presidents are the two members of the Senate and the majority leader of the House or his designee. The Secretary is usually the Secretary of General Services and the Treasurer is normally the State Treasurer.

Chairperson Heuer recommended that Governor Wolf be elected President, Senators Smucker and Dinniman and Speaker Turzai as the Vice Presidents, Executive Deputy State Treasurer Craig and eventually his successor as Treasurer and Acting Secretary Topper as Secretary. He also recommended Bob Baccon, Dave Player and Bev Nawa as Assistant Secretaries and Assistant Treasurers.

Chairperson Heuer opened the floor to nominations or a motion to elect the recommended officers.

In accordance with the PHEFA Bylaws, and upon **MOTION** by **Ms. Langan**, and **SECONDED** by **Ms. Pike-Nase** at PHEFA Board Meeting of February 5, 2015, the following Officers were unanimously elected for a period of one year and until their respective successors shall have been duly elected and qualified or until they have ceased to be members of the Board .

- | | |
|------------------------|----------------------|
| a. President | Thomas W. Wolf |
| b. Vice President | Lloyd K. Smucker |
| Vice President | Andrew E. Dinniman |
| Vice President | Michael C. Turzai |
| c. Secretary | Curtis M. Topper |
| d. Treasurer | Christopher B. Craig |
| e. Assistant Secretary | Robert Baccon |
| | David Player |
| | Beverly M. Nawa |
| f. Assistant Treasurer | Robert Baccon |
| | David Player |
| | Beverly M. Nawa |

3. APPROVAL OF THE MINUTES OF THE MEETING OF DECEMBER 18, 2014.

A copy of the minutes of the meeting of December 18, 2014, 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 PHEFA meeting of December 18, 2014, be and hereby are approved as presented.

Upon **MOTION** by **Ms. Pike-Nase**, and **SECONDED** by **Mr. Cohn**, and after full discussion, the above Resolution was unanimously approved at the PHEFA Board Meeting of February 5, 2015.

4. SELECTION OF NEW AUDIT FIRM.

Chairperson Heuer noted that the staff selected a new audit firm. He asked Ms. Pike-Nase if she wanted to comment on this item.

Ms. Pike-Nase explained that this was an initiative of the Audit Committee of which the Auditor General is the chair. The Auditor General was very pleased to find out that there were 13 firms that submitted proposals and that there was a very qualified candidate of Maher Duessel.

Ms. Pike-Nase thanked Dave Player for doing a wide net search. She understood that it was a lot of work. The proposal was sent to 15 firms and it is a credit to him that 13 firms submitted bids. She also thanked Bob Baccon and Bev Nawa for their work on the committee to select the firm.

5. APPROVAL OF PROJECTS.

A. Resolution Amending a Prior Resolution Which Authorized a Project on Behalf of Thomas Jefferson University.

Mr. Baccon explained that the Board approved a project for Thomas Jefferson University at the November 2014 meeting. The resolution in the agenda asked the Board to amend the November Resolution to include the direct placement of one or more series of bonds with one or more commercial banks or financial institutions.

Mr. Baccon explained that the Resolution in Board Members agenda approves all of the actions necessary in connection with the amendments to the Prior Resolution.

Valarie Allen, Esquire of Ballard Spahr participated by conference call to answer questions.

Chairperson Heuer asked if this was normal operating procedure.

Mr. Baccon said that we have had private placements but not combinations.

Chairperson Heuer asked if there was a benefit to this.

Ms. Allen said that the interest rates that the banks were offering for the variable rate debt is significantly lower than going into the market and doesn't require additional liquidity costs.

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

**RESOLUTION OF THE
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
AMENDING
A PRIOR RESOLUTION WHICH AUTHORIZED
THE ISSUANCE OF THE AUTHORITY'S REVENUE BONDS
TO FINANCE A PROJECT FOR THE BENEFIT OF
THOMAS JEFFERSON UNIVERSITY TO REFLECT MODIFICATIONS TO THE
MANNER IN WHICH A PORTION OF THE BONDS WILL BE SOLD;
REAFFIRMING PRIOR RESOLUTION;
AND
REPEALING INCONSISTENT RESOLUTIONS.**

DOCKET NO. 652

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Pennsylvania Higher Educational Facilities Authority (the "Authority") is a body corporate and politic constituting a public corporation and public instrumentality of the Commonwealth of Pennsylvania (the "Commonwealth") created by the Pennsylvania Higher Educational Facilities Authority Act of 1967 (Act of December 6, 1967, P.L. 678, as amended) (the "Act"), and has been organized for the purpose of acquiring, constructing, financing, improving, maintaining and operating any educational facility of a "college," with the rights and powers, inter alia: (i) to finance projects for colleges by making loans to such colleges, which loans may be evidenced by, and secured as provided in, loan agreements, security agreements or other contracts, instruments or agreements, (ii) to borrow money for the purpose of paying all or any part of the costs of construction, acquisition, financing, alteration, enlargement, reconstruction and rehabilitation of any educational facility which the Authority is authorized to acquire, construct, finance, improve, install, maintain or operate under the Act, and (iii) to make and issue refunding bonds for the purpose of refunding any bonds, notes or other obligations of the Authority issued under the Act and outstanding.

2. The Authority adopted a resolution (the "Prior Resolution") at its meeting held on November 13, 2014, notice of which was given in accordance with the requirements of law and the bylaws of the Authority and at which a quorum of the Authority was present and acted throughout, approving the issuance of bonds of the Authority (the "Bonds") in one or more series in an aggregate principal amount not to exceed \$790,000,000 for the purpose of financing a project described in the Prior Resolution for Thomas Jefferson University ("TJU").

3. Pursuant to the Prior Resolution, the Bonds will be issued in one or more series pursuant to one or more trust indentures (collectively, the "Indentures") between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee, and the proceeds of the Bonds will be loaned to TJU pursuant to one or more loan and security agreements (collectively, the "Loan Agreements") between the Authority and TJU.

4. The Prior Resolution contemplated that all of the Bonds would be publicly offered and sold to Merrill Lynch, Pierce, Fenner & Smith, Incorporated, as underwriter (the “Underwriter”), pursuant to one or more purchase agreements.

5. It has been determined by TJU that it would be more advantageous to place one or more series of the Bonds directly with commercial banks and other financial institutions (collectively, the “Banks”) and to (i) enter into one or more continuing covenant agreements, credit agreements or similar extensions of credit with the Banks for such purpose and (ii) execute one or more purchase agreements to evidence the direct placement of such series of Bonds with the Banks (collectively, the “Purchase Agreements”).

6. TJU has requested that the Authority amend the Prior Resolution to authorize the direct placement of one or more series of Bonds with the Banks and approve the sale of such Bonds to the Banks pursuant to the Purchase Agreements.

7. The Authority hereby amends the Prior Resolution to approve the direct placement of one or more series of Bonds with the Banks pursuant to the Purchase Agreements. The appropriate officers of the Authority, including the President, the Vice President and the Executive Director are hereby authorized and directed to execute and deliver and, if required, the Secretary or Assistant Secretary is hereby authorized and directed to affix the corporate seal of the Authority to, and to attest, the Purchase Agreements, such documents to be in such form as counsel to the Authority may advise and the officers of the Authority executing the same may approve, such approval to be evidenced by their execution thereof.

8. The Bonds shall be issued in such aggregate principal amount, mature on such dates and bear interest at such rates as shall be set forth in the Indentures, subject to the terms set forth in the Prior Resolution. All of the provisions of Purchase Agreements, when executed and delivered as authorized herein, shall be deemed to be part of this Resolution as fully and to the same extent as if incorporated herein and shall be in full force and effect from the date of execution thereof.

9. The Bonds are special limited obligations of the Authority, are secured under the provisions of the Indentures and are payable solely from certain funds held under the Indentures and from payments to be made by TJU pursuant to the Loan Agreements and the Contribution Agreements (as defined in the Loan Agreements). Neither the general credit of the Authority nor the credit or taxing power of the Commonwealth or any political subdivision thereof is pledged for the payment of the principal of, premium, if any, or interest on the Bonds, nor shall the Bonds be deemed to be general obligations of the Authority or obligations of the Commonwealth or any political subdivision thereof, nor shall the Commonwealth or any political subdivision thereof be liable for the payment of the principal of, premium, if any, or interest on the Bonds. The Authority has no taxing power.

10. This Resolution shall take effect immediately upon its adoption. Except as set forth herein, the Prior Resolution is reaffirmed in all respects and any other prior resolutions or parts thereof inconsistent herewith shall be repealed. This resolution shall take effect immediately.

Upon **MOTION** by **Ms. Pike-Nase**, and **SECONDED** by **Ms. Langan**, and after full discussion, the above Resolution was unanimously approved at the PHEFA Board Meeting of February 5, 2015.

6. OLD BUSINESS.

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

7. NEW BUSINESS.

Chairperson Heuer asked if there was any new business to come before the Board.

Ms. Pike-Nase asked if there would be an orientation session for new members.

Mr. Baccon said that staff will contact the new members to schedule a briefing session.

Chairperson Heuer told the Members that the next meeting is scheduled for March 10th and that is a Tuesday.

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. Langan**, and **SECONDED** by **Ms. Pike-Nase**, the PHEFA Board Meeting was adjourned at 11:02 a.m.

SUNSHINE ACT MEETING NOTICES

Thursday, January 15, 2015

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

CANCELLED: Nyleve Bridge Corp. and James D. Morrissey, Inc. t/a Nyleve/Morrissey, a Joint Venture vs. DOT Docket No. 4038: January 20- February 27, 2015, 9:30AM. Fulton Bldg., 6th Fl., Court Rm. No. 1, HBG. CANCELLED: State Board of Examiners of Nursing Home Administrators Meeting: January 21, 2015, 9:00AM. 2601 N. Third St., HBG.

PSER Board Personnel Committee Meeting: January 21, 2015, 8:30AM 4th Fl. Board Rm., 5 N. 5th St., HBG.

Add'l meetings on 1/21/15, same location as

above: PSER Board Finance Committee Mtg at 8:45AM, PSER Board

Bylaws/Policy Committee Meeting at 11:15 AM, PSER Board

Appeals/Member Services Committee Meeting at 1 PM, and PSER Board-

Board Meeting at 1:30

PM.

Contact Name: Barbara Book 720-4749

DEP: Mining and Reclamation Advisory Board Meeting: January 22, 2015, 10:00 AM. RCSOB, 12th Fl., Conf. Rm., HBG.

Contact Name: Daniel Snowden 783-8846

PA Game Commission Board of Commissioners Meeting: January 25, 2015, 1:00 PM. PA Game Comm. Bldg., 2001 Elmerton Ave., HBG. Add'l meetings

scheduled: 1/26/15 and 1/27/15 at 8:30AM, same location as above. Purpose of

meeting: To discuss Game Commission business.

Contact Name: Joan French 787-7836

SPECIAL: State Public School Building Authority and PA Higher Educational Facilities Authority Meetings: February 05, 2015, 10:30 AM. Rm. 515, North Office Bldg., HBG.

Contact Name: Bev Nawa 975-2204

Appeared in: ***Patriot-News*** on Thursday, 01/15/2015

Appendix A

STATE PUBLIC SCHOOL BUILDING AUTHORITY
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
Notice of the Meeting of the Board to be Held
February 5, 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, February 5, 2015**, at **10:30 a.m.**, in **Room 515 North Office Building, Harrisburg**, Pennsylvania, for the purpose of: (a) electing officers for 2015; (b) approving certain projects for financing; and, (c) 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 February 5, 2015, meetings was dispatched to the following on January 22, 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
(Meeting announcement sent 1/27/15)
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
Robert M. McCord, State Treasurer
129 Finance Building, Harrisburg, PA
Eugene A. DePasquale, Auditor General
229 Finance Building, Harrisburg, PA
Curt Topper, Acting Secretary of General Services
515 North Office Building, Harrisburg, PA
Pedro Rivera, Acting Secretary of Education
333 Market Street - 10th Floor, Harrisburg, PA

GIVEN under my hand and seal this 22nd day of January 2015.

/s/ Robert Baccon

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

Appendix A