

Meeting of the Board  
**STATE PUBLIC SCHOOL BUILDING AUTHORITY**  
February 19, 2014  
**Room 515 North Office Building**  
Harrisburg, Pennsylvania  
10:33 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 January 23, 2014.
3. Revolving Loan Fund.
4. Approval of Projects.
  - A. Resolution Authorizing the Undertaking of a Project on Behalf of Upper Bucks County Vocational Technical School.
  - B. Resolution Authorizing the Undertaking of a Project on Behalf of Northampton County Area Community College.
5. Old Business.
6. New Business.
7. 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 Wednesday, February 19, 2014 at 10:33 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. Corbett)  
Jennifer Smeltz, (Proxy for Senator Michael J. Folmer)  
Lisa Felix, (Proxy for Senator Andrew E. Dinniman)  
Sean Dempsey, (Proxy for Representative Warren E. Kampf)  
Alan Cohn, (Proxy for Representative Anthony M. DeLuca)  
Christopher Craig, (Proxy for Treasurer Robert M. McCord)  
Christal Pike-Nase, (Proxy for Auditor General Eugene A. DePasquale)  
James Henning, (Proxy for Secretary of General Services Sheri L. Phillips)  
Nicole Duffy, (Proxy for Acting Secretary of Education Carolyn C. Dumaresq)

**Authority Personnel Present**

David Player, Comptroller  
Beverly Nawa, Administrative Officer

**Also Present**

William McCarty, Esquire, Hartman Underhill & Brubaker LLC  
Jennifer Langan, Deputy Chief Counsel, Pennsylvania Treasury  
Jamie Doyle, Managing Director, Public Financial Management

**Participated Via Conference Call**

Robert Baccon, Executive Director  
Margaret Angel, Esquire, Buchanan Ingersoll & Rooney, PC  
Gail Capuano, Business Manager, Upper Bucks County Vocational Technical School  
Bernard Wagneseller, Executive Director, Upper Bucks County Vocational Technical School  
James Dunleavy, Vice President for Finance & Operations, Northampton County Area Community College  
William Richter, Esquire, Reed Smith LLP

## **2. APPROVAL OF THE MINUTES OF THE MEETING OF JANUARY 23, 2014.**

A copy of the minutes of the meeting of January 23, 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 SPSBA meeting of January 23, 2014, be and hereby are approved as presented.

Upon **MOTION** by **Mr. Dempsey**, and **SECONDED** by **Mr. Henning**, and after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of February 19, 2014.

## **3. REVOLVING LOAN FUND.**

Mr. Baccon explained that we closed a \$1,500,000 loan to the Butler County Community College for the purchase of computer and security equipment, professional services and software. We have no pending projects.

## **4. APPROVAL OF PROJECTS.**

### **A. Resolution Authorizing the Undertaking of a Project on Behalf of Upper Bucks County Vocational Technical School.**

Mr. Baccon explained that Upper Bucks County Vocational Technical School has requested that we issue a maximum of \$22,625,000 in Revenue Bonds to finance renovation and construction of Vo-Tech facilities.

The Underwriter will be selected via a competitive process. Manufacturers and Traders Trust is the Trustee and Public Financial Management is the financial advisor to the Vo-Tech. At the request of the Vo-Tech, the Office of General Counsel has appointed King, Spry, Herman, Freund & Faul 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.

Bernard Wagenseller, Executive Director and Gail Capuano, Business Manager of the Vo-Tech are participating by phone and Jamie Doyle, Managing Director of PFM is in attendance to answer any questions that board members may have.

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

Mr. Dempsey asked if an updated credit rating had been secured yet.

Ms. Doyle said that they are expected to have an A+ rating as they had in the past, but they do not have the updated rating yet because they are not pricing until March 20<sup>th</sup>.

Mr. Dempsey asked if the expected A+ takes into account the new financing.

Ms. Doyle said that it did.

Mr. Craig ask what sort of facilities are being financed.

Mr. Wagenseller explained that they will be renovating the current facility. They currently have about 600 students and they are planning to upgrade their systems and add one small addition to the campus, which would be a welding lab and to add a connecting hallway to the existing building.

Mr. Craig asked if they expect additional enrollment because of the improvements.

Mr. Wagenseller indicated that they do.

Mr. Craig asked if this is based on the demand for new curriculum or on having the capacity to accept additional students. He asked for an explanation on the educational demands and how they are trying to satisfy those demands.

Mr. Wagenseller explained that the campus is 50 years old and hasn't had any major renovations. They have determined that one of the reasons their enrollment is lower than they would like it to be is because students are simply not choosing it. It is not an attractive building. It seems superficial, but it does matter. They are starting two new programs, small engine technology and a career internship program. They are expecting to have 100 more students next year just based on changes that they are making. They do believe that the facility is a major component in the school's lack of enrollment. Enrollment has been about 600 students and they expect it to increase to about 800 after renovations.

Mr. Craig asked if there is a target rate and what it is expected to be.

Ms. Doyle indicated that they are bidding it competitively to secure the lowest possible rate. For planning purposes they have been using a rate of 4.75%.

Chairperson Heuer asked what the history of the debt has been.

Ms. Doyle explained that they have very little debt currently and they haven't had any extensive renovations in 50 years, so this will bring them up to date.

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

**RESOLUTION OF THE  
STATE PUBLIC SCHOOL BUILDING AUTHORITY  
AUTHORIZING  
THE UNDERTAKING OF A PROJECT  
ON BEHALF OF  
UPPER BUCKS COUNTY VOCATIONAL-TECHNICAL SCHOOL**

**DOCKET NO. 2421**

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

1. The State Public School Building Authority (the “Authority” or “SPSBA”) shall undertake the financing of a project (the “Project”) for the benefit of the Upper Bucks County Vocational-Technical School (the “Upper Bucks Vo-Tech”) consisting of the financing of the construction and renovation of certain Upper Bucks Vo-Tech facilities, including the buildings, fixtures, improvements, furnishings and equipment thereon 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 the Upper Bucks Vo-Tech, 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 \$22,625,000 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 (Upper Bucks County Vocational-Technical School Project)” with an appropriate series designation (such bonds being herein referred to as the “Bonds”). The Bonds shall have a term not to exceed 30 years from the date of their issuance and delivery and shall bear interest at fixed or variable rates acceptable to the Upper Bucks Vo-Tech, shall mature in such principal amounts and at such times, and shall be subject to redemption, all as approved by the Executive Director or Assistant Executive Director in consultation with the Upper Bucks Vo-Tech and as further provided in a Bond Purchase Agreement hereinafter described.

In the event the Upper Bucks Vo-Tech 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. Under the financing plan the participating sponsor school districts (“Participating Districts”) (Quakertown School District, Palisades School District and Pennridge School District) of Upper Bucks Vo-Tech will lease pursuant to a lease or supplemental lease (“Lease”) the real and personal property comprising the educational facility utilized by Upper Bucks Vo-Tech (“Educational Facility”) to SPSBA for a term not less than the final maturity of the Bonds. SPSBA under the Lease will make the proceeds of the Bonds available for the costs of the Project. SPSBA will sublease to Upper Bucks Vo-Tech the Educational Facility pursuant to a sublease or supplemental sublease (“Sublease Agreement”). The Sublease rental payments due by Upper Bucks Vo-Tech shall be sufficient to provide for the debt service on the Bonds.

The proceeds from the sale of the Bonds shall be made available to Upper Bucks Vo-Tech pursuant to the terms of the Lease, and shall be applied by Upper Bucks Vo-Tech for and toward the costs of the Project, including: (a) construction and renovation of certain Upper Bucks facility including the building, fixtures, improvements, furnishings and equipment thereon, (b) the payment of the costs of issuance of the Bonds, including without limitation, printing costs, fees and expenses of bond counsel, the underwriter and the financial advisor of Upper Bucks Vo-Tech, fees and expenses of the Trustee, and administrative costs and expenses of Upper Bucks Vo-Tech 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 Upper Bucks Vo-Tech. The Authority is hereby authorized to assign and pledge the Sublease 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 (the “Bond Purchase Agreement”) with the successful underwriting firm 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 and Sublease Agreement, the Bond Purchase Agreement, 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 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 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, 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 the Upper Bucks Vo-Tech, the Office of General Counsel has appointed King, Spry, Herman, Freund & Faul LLC as bond counsel for this issue ("Bond Counsel").

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 and Sublease Agreement, 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 or sublease agreement, bond, instrument or other document executed and delivered with respect to the financing of the Project (collectively, the "Bond Documents") requested by the Upper Bucks Vo-Tech 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 **Ms. Pike-Nase**, **SECONDED** by **Mr. Henning**, and after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of February 19, 2014.

**EXHIBIT A**

**UPPER BUCKS COUNTY VOCATIONAL-TECHNICAL SCHOOL**

<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>
2421	Bucks	Financing of the construction and renovation of certain Upper Bucks Vo-Tech facilities, including the buildings, fixtures, improvements, furnishings and equipment thereon and the payment of the costs and expenses of issuing the Bonds and obtaining credit enhancement (if any) for the Bonds.	\$22,625,000

**Maximum Term:** 30 years.

**Interest Rate:** Fixed.

**Rating/Insurance:** Currently rated A+ from S&P.

**Bond Counsel:** King, Spry, Herman, Freund & Faul LLC, has been appointed by the Office of General Counsel upon the request of the Upper Bucks Vo-Tech.

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

**Underwriter** To be selected by a competitive process.

**Minority, Veteran and/or Female Participation in this Financing:** To be determined by the Upper Bucks Vo-Tech in consultation with the Executive Director.

Approved by the SPSBA Board at its meeting of February 19, 2014.

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

##### **B. Resolution Authorizing the Undertaking of a Project on Behalf of Northampton County Area Community College.**

Mr. Baccon explained that Northampton County Area Community College has requested that we issue a maximum of \$50,000,000 in Revenue Bonds to finance the construction of a new student residence facility consisting of approximately 300 beds, along with various deferred maintenance and information technology infrastructure projects. The bonds will also include the refunding of our College Revenue Refunding Bonds Series A of 2004 and College Revenue Bonds, Series B of 2004.

RBC Capital Markets is the Underwriter and The Bank of New York Mellon Trust Company is the Trustee for the bond issue. At the request of the College, the Office of General Counsel has appointed Reed Smith 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.

James Dunleavy, Vice President for Finance and Operations of the College, and Bill Richter of Reed Smith are participating by phone and Jamie Doyle, of PFM is in attendance to answer questions.

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

Mr. Craig said that the information provided to the Board indicates that the facilities are owned by Northampton County Area Community College Foundation and managed by the College and it is expected that the new facility will be owned by the Foundation yet managed by the College. The Resolution proposes that the debt and the proceeds of the sale are to be provided to the College. He asked for an explanation of the Foundation's relationship to the College and the impact that it has on the Bond Resolution.

Mr. Dunleavy explained that the Foundation is a separate 501(c)3 but supports the College. The current residence halls were built under similar structure where the College does the financing and then the mortgage note internally is between the College and the Foundation.

Mr. Richter explained that the current plan is for the College to be the borrower and the credit. It is not a credit of the Foundation. The College is the one borrowing the money. The facility will be exclusively for the College and its students. Historically the Foundation owns the other two or three residence halls at the College and the expectation is that the College will borrow the money and make the proceeds available to the Foundation to construct the facility. The facility will be located on the campus of the College next to the other residence halls. There will be a lease from the College to the Foundation of the ground. The College will get the

project at the termination of the lease. This is the Community College's credit first and foremost. That is how the bonds are going to be sold. This is not like other student residence hall financings where a single purpose 501(c)3 is the credit. It is a general obligation of Northampton County Area Community College. The College will manage the facility in the same fashion as it manages its existing residence halls. He believes that Northampton is unique in Pennsylvania in that it is the only Community College that has residence halls and there is a great demand for on campus residence. There are other capital projects that are also being financed that fall under the category of deferred maintenance and also the two refunding projects.

Mr. Craig asked about the legal or business purpose of the Foundation. If the ground is being leased from the College to the Foundation and the College would manage the operation of the new facility, what is the business benefit of having the temporary ownership being moved to the Foundation when the debt is still incurred by the College?

Mr. Richter said that it is more of a historical structure. It is the way it has been done in the past. The SPSBA financed another project like this for the College about 20 years ago. He is not exactly sure why it was done this way. He believes that the Foundation may be able to contribute other resources that it has to the project. As far as construction, there is a little bit more flexibility if the Foundation is the party to the construction contract.

Mr. Dunleavy explained that any profits from the residence hall go into the endowment part of the Foundation which supports scholarships and it all ends up in what the Foundation returns back to the College.

Mr. Craig asked what documents establish that ownership is eventually transferred back to the College. Is there a separate management agreement between the College and the Foundation that governs the operational relationship of the facility between the two? What are the contractual or legal ties between the two that govern the handling of the property and its eventual transfer to the College?

Mr. Richter said that he has not prepared the documents yet. The expectation is that they will have a ground lease between the College and the Foundation. The College will lease the ground to the Foundation for the purpose of the construction of a specific project that the College will approve. Most of the ground leases specify that upon termination of the ground lease the title will revert back to the College.

Mr. Craig asked if that was the expectation in this transaction.

Mr. Dunleavy said the lease goes out indefinitely and would be continued to be renewed as needed, but it would be a Foundation asset.

Mr. Craig asked if that was appropriate use of Authority financing, if the asset doesn't become a College asset but instead is an asset of a connected 501(c)3.

Mr. Richter said that the College will benefit of the project through the entire useful life of the project. He wouldn't be comfortable unless this was a project that is exclusively for the College. They haven't prepared that document yet.

Mr. Craig asked what assurances are there that this will always be available as a housing facility for students at the Community College.

Ms. Duffy entered the meeting.

Ms. Pike-Nase asked if they could put a provision in the lease that would outline how the transfer would occur in the end if it would be necessary. She asked if this would be something that they would agree to, since there are some members that might not approve this project unless you could give us assurance that you will have that in the lease.

Mr. Richter asked if the Board needs a provision in the lease that upon its termination title to the building will return to the College.

Ms. Pike-Nase said that he was correct.

Mr. Craig said that he believes that they are looking for some sort of surety that the building will be used for its intended purpose of housing students at the Community College. The College maintains real ownership of the property on which the facility sits and that the ownership is not transferred to the Foundation, it is leased to the Foundation. The College, through that contract, would have the ability to dictate that, even if the title remained with the Foundation, they could only use the property to benefit the Community College and its students.

Mr. Dunleavy agreed that Mr. Craig was correct.

Mr. Craig said that the concern of some members of the Board is that they want to make sure that this Authority is being used to finance College related facilities and that they benefit the College even beyond the initial term of the debt.

Mr. Dunleavy agreed with Mr. Craig.

Mr. Craig said that Mr. Dunleavy indicated that there is a strong demand for the housing facility. He asked if enrollment projections had been provided to the Board.

Mr. Dunleavy indicated that other than the resolution, he did not know what was provided to the Board.

Mr. Craig asked if they had enrollment projections that the College has put together to support the concept that there is demand for the housing.

Mr. Dunleavy said they have put together a pro forma that they presented to Moodys and shared internally with their board, in terms of enrollment, what the demand has been to date, what the expected demand is going forward, based on programs that were opening up. They currently have 268 units available and they are all housed by out of county students. Programs such as funeral services, dental hygiene and culinary are in high demand. They are expanding their international program. Last year they had to turn away more than 300 students. Currently they don't allow any in county students to live in the dorms. There is a tremendous demand for the residence halls because of the cost effective tuition.

Mr. Craig asked if Board staff has seen or requested any of the projections.

Ms. Nawa said that staff has not seen or requested the projections.

Chairperson Heuer mentioned that he is sensing that some people are not comfortable with the project.

Mr. Craig indicated that he is comfortable to the extent that the representation has been made that the leasing agreement and contractual relationship with the Foundation would provide for the continued exclusive use of the property for the benefit of the College. He believes that the representatives are correct, there is a huge demand for community colleges. They serve a very important need. The Treasurer wants to be able to support this. His concern relates to process. When they talk about financing for colleges and universities the ability to pay for that financing is directly related to projected enrollment. He is concerned that the Board does not request and receive those enrollment projections and he feels strongly that is information that each of the members of the Authority should be provided, so they have assurance that they is a real demand for it. He doesn't doubt that the demand is expected to grow and that demand would be sufficient to pay for the bonds. As fiduciaries he believes that is basic information that they also be provided.

Mr. Baccon said that he will make sure to request that in all future projects. It is something that was done on occasion but wasn't obviously done in this situation. In the future you will have that information.

Mr. Craig said that he has no doubts that there is a demand and it sounds like a very exciting and beneficial project.

Chairperson Heuer asked if there were any other questions or concerns, and hearing none, he asked for motion to approve the Resolution.

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

**DOCKET NO. 2422**

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

1. The State Public School Building Authority (the "Authority" or "SPSBA") shall undertake the financing of certain projects (the "Projects") for the benefit of the Northampton County Area Community College (the "College") consisting generally of: (a) the construction of a new student residence facility (which may be owned by Northampton County Area Community College Foundation and managed by the College); (b) various deferred maintenance and information technology projects, including without limitation new roofs, restroom improvements, site paving and sidewalk repairs, mechanical upgrades, new corridor railings, asbestos removal, new backup computer room, data center upgrades, network upgrades, various classroom technology updates and upgrading enterprise resource system servers; (c) refunding the entire outstanding principal balance of the Authority's College Revenue Refunding Bonds (Northampton County Area Community College Project) Series A of 2014; (d) refunding the entire outstanding principal balance of the Authority's College Revenue Bonds (Northampton County Area Community College Project) Series B of 2004; (e) capitalized interest on a portion of the Bonds (defined below); (f) the payment of the costs and expenses of issuing, and obtaining credit enhancement (if any) for, the Bonds. At the request of the College, the Executive Director of the Authority shall have the power to add, delete or substitute any component of the Projects 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 Projects, the Authority may enter into an appropriate trust indenture or supplemental trust indenture (herein referred to as the "Indenture") with the Trustee herein appointed, and may issue up to \$50,000,000 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 College Revenue Bonds (Northampton County Area Community College Project)" with an appropriate series designation (such bonds being herein referred to as the "Bonds"). The Bonds shall have a term not to exceed 30 years from the date of their issuance and delivery and shall bear interest at fixed or variable rates acceptable to the College, shall mature in such principal amounts and at such times, and may be subject to redemption or tender for purchase, all as approved by the Executive Director in consultation with the College and as further provided in a Bond Purchase

Agreement hereinafter described.

In the event the College 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 born 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 Indenture to be conclusive evidence of such approval. The execution of the Bonds with the manual or facsimile signature of 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.

3. The proceeds from the sale of the Bonds may be loaned to the College pursuant to the terms of an appropriate loan agreement or supplemental 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 including: (a) the payment of the items of acquisition and construction included in the Project, (b) the payment of the costs of issuance of the Bonds, including without limitation, printing costs, fees and expenses of Bond Counsel (hereinafter mentioned), the Underwriter (hereinafter mentioned) and the financial advisor of the College, 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, 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 the College. The obligations of the College under the Loan Agreement may be secured by such collateral provided by or on behalf of the College as may be required by the Underwriter and agreed to by the College. The Authority is hereby authorized to assign and pledge the Loan Agreement and all revenues to be received by the Authority therefrom and any other collateral provided by or on behalf of the College as aforesaid 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 (the "Bond Purchase Agreement") with RBC Capital Markets LLC (the "Underwriter") 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 Loan Agreement, the Bond Purchase Agreement and any other documents required in connection with the issuance of the Bonds; any remarketing agreement, auction agent agreement and/or indexing agent 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; any escrow deposit agreement or similar agreement with respect to any bond refunding component of the Projects; and any other document to which the Authority is a party and which is required in connection with the financing of the Projects; 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, the execution thereof by the Executive Director to be conclusive evidence of such approval.

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 by the Executive Director of the Authority with the advice of Bond Counsel. The Executive Director is hereby authorized to execute any such preliminary official statement 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 Executive Director's (and the Authority's) approval 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. RBC Capital Markets, LLC is hereby selected as Underwriter of the Bonds for the purchase thereof upon the terms and conditions contained in the Bond Purchase Agreement. The Bank of New York Mellon Trust Company, N.A. is hereby selected to act as Trustee under the Indenture in connection with the issuance of the Bonds. The Office of General Counsel, at the request of the College, has appointed Reed Smith LLP as Bond Counsel for the issuance of the Bonds.

9. The Trustee shall be, by virtue of this Resolution and without further authorization from the Authority, authorized, directed and requested to authenticate and deliver the Bonds upon the request of the Executive Director of the Authority and 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.

10. Notwithstanding any other provision of this Resolution, at the request of the College the Authority may issue and sell some or all of the Bonds pursuant to a direct

placement with one or more financial institutions designated by the College (collectively, the "Bank Purchaser"). The Authority is authorized to enter into such documents and agreements relative to such direct placement of Bonds as may be necessary or desirable and as may be approved by the Executive Director of the Authority (the execution thereof to be conclusive evidence of such approval), which documents and agreements (the "Direct Placement Documents") may be in addition to, or may take the place of, the Indenture, the Loan Agreement and the Bond Purchase Agreement.

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 or desirable in order to effectuate the financing of the Projects, the execution, delivery and receipt of the Indenture, the Loan Agreement, the Bond Purchase Agreement, the Direct Placement Documents, the distribution of a preliminary official statement and final official statement, the issuance and sale of the Bonds, and the implementation of 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, loan agreement, bond, instrument or other document executed and delivered with respect to the financing of the Projects (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.

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 **Mr. Henning**, **SECONDED** by **Mr. Craig**, and after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of February 19, 2014.

**EXHIBIT A**

**NORTHAMPTON COUNTY AREA COMMUNITY COLLEGE**

<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>
2422	Northampton/ Monroe	Financing of: (a) the construction of a new student residence facility; (b) various deferred maintenance and information technology projects; (c) refunding of SPSBA College Revenue Refunding Bonds (Northampton County Area Community College Project) Series A of 2004; (d) refunding the SPSBA College Revenue Bonds (Northampton County Area Community College Project) Series B of 2004; (e) capitalized interest on a portion of the Bonds; and (f) the payment of the costs and expenses of issuing the Bonds and obtaining credit enhancement (if any) for the Bonds.	\$50,000,000

**Maximum Term:** 30 years.

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

**Rating/Insurance:** Currently rated A1 by Moody's Investors Service, Inc.

**Bond Counsel:** At the request of the College, the Office of General Counsel has appointed Reed Smith LLP.

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

**Underwriter:** RBC Capital Markets, LLC.

**Minority, Veteran and/or Female Participation in this Financing:** To be determined by the College in consultation with the Executive Director.

Approved by the SPSBA Board at its meeting of February 19, 2014.

**5. OLD BUSINESS.**

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

**6. 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.

**7. ADJOURNMENT.**

There being no further business to come before the Board at this time, upon **MOTION** by **Mr. Dempsey**, and **SECONDED** by **Mr. Henning**, the SPSBA Board Meeting was adjourned at 11:04 a.m.

**SUNSHINE ACT MEETING NOTICES**

Thursday, February 6, 2014

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

PA Fish & Boat Commission, Boating Advisory Board Meeting: February 13, 2014,  
9:00 AM. Susquehanna Conference Rm., HBG. If you are a person with a disability  
and require an auxiliary aid, service or other accommodation, please contact the  
agency at 717-705-7834 or the PA AT&T Relay Service at 1-800-654-5984 (TDD).

Contact Name: Michaela Shuster 705-7834  
The State Transportation Commission (STC) Meeting: February 13, 2014,  
10:00 AM. Commonwealth Keystone Bldg., Conf. Rm. 8N1, 400 North St., HBG.  
Attendees are required to enter the building through the main entrance and  
proceed to the reception area. Disability arrangements must be made at least  
24 hours in advance.

Contact Name: Julie Harmantzis 787-2913

PA Apprenticeship and Training Meeting: February 14, 2014, 10:00 AM.  
Labor and Industry Bldg., 17th Fl. Conference Rm., HBG.

Contact Name: Debra Wagner 787-4671

TIME CHANGES: Citizens Advisory Council (CAC) Meetings: February 18, 2014,  
10:00 AM. Rachel Carson State Office Bldg., Rm. 105, 400 Market St., HBG.  
Add'l Meetings Scheduled: 3/18/14, 4/15/14, 5/21/14, 6/17/14, 7/15/14, 9/16/14,  
10/21/14, 11/18/14 at same above time and location.

Contact Name: Michele Tate 787-4527

Tuition Account Program Advisory Board Meeting: February 18, 2014,  
1:00 PM. Judicial Ctr. Bldg., Conf. Rm. A, 601 Commonwealth Ave, HBG.

Contact Name: Kathleen McGrath 772-5000

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SPECIAL: PA Higher Educational Facilities Authority Meeting:  
February 19, 2014, 10:30 AM. North Office Bldg., Rm. 515, HBG.

Contact Name: Bev Nawa 975-2204

SPECIAL: State Public School Building Authority Meeting: February 19, 2014,  
10:30 AM. North Office Bldg., Rm. 515, HBG.

Contact Name: Bev Nawa 975-2204

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The Public Private Transportation Partnerships Board Meeting:  
February 28, 2014, 11:00 AM. Keystone Bldg., PUC Hearing Rm. 1, 2nd Fl.,  
400 North St., HBG. Attendees must enter through a public Entrance:  
North St., Entrance (also handicapped entrance) take North St. elevators to  
2nd fl., Disability arrangements must be made at least 24 hours in advance.  
Contact Name: Kathryn Tartaglia 214-4035

RESCHEDULED: Pennsylvania Milk Marketing Board Meeting:  
February 11, 2014, 3:00 PM., Agriculture Bldg., Rm. 309,  
2301 N. Cameron St., HBG.  
Contact Name: Agency Office 787-4194]]>

Appeared in: ***Patriot-News*** on Thursday, 02/06/2014

STATE PUBLIC SCHOOL BUILDING AUTHORITY  
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY  
Notice of the Meeting of the Board to be Held  
February 19, 2014

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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 **Wednesday, February 19, 2014**, at **10:30 a.m.**, in **Room 515 North Office Building, Harrisburg**, Pennsylvania, for the purpose of: (a) approving certain projects for financing; and (b) consideration of such other matters as may properly come before the Board.

Enclosed herewith is a copy of the notice that has been posted on the bulletin board in the Authority office, in accordance with Act No. 213, 1957.

I would appreciate it if you would make the appropriate notation on the attached slip, indicating whether or not you plan to be present at the meetings and return same to us.

Sincerely,

/s/ Robert Baccon

Robert Baccon  
Executive Director

Enclosures

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Harrisburg, PA

I CERTIFY that the notice on the previous page for the February 19, 2014, meetings was dispatched to the following on January 31, 2014, 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. Corbett, Governor of Pennsylvania  
225 Main Capitol Building, Harrisburg, PA  
Steven S. Heuer, Proxy for Governor Corbett  
333 Market Street – 18<sup>th</sup> Floor, Harrisburg, PA  
Michael J. Folmer, Designated by the President Pro Tempore of the Senate  
170 Main Capitol Building, Harrisburg, PA  
Andrew E. Dinniman, Designated by the Minority Leader of the Senate  
183 Main Capitol Building, Harrisburg, PA  
Warren E. Kampf, Designated by the Speaker of the House of Representatives  
422 Irvis Office 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  
Sheri L. Phillips, Secretary of General Services  
515 North Office Building, Harrisburg, PA  
Carolyn C. Dumaresq, Acting Secretary of Education  
333 Market Street - 10th Floor, Harrisburg, PA

GIVEN under my hand and seal this 31st day of January 2014.

/s/ Robert Baccon

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