

Meeting of the Board  
**STATE PUBLIC SCHOOL BUILDING AUTHORITY**  
December 15, 2016  
**Room 515 North Office Building**  
Harrisburg, Pennsylvania  
10:31 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 November 17, 2016
3. Financial Report for the Month of October 2016
4. Revolving Loan Fund
5. Approval of Projects
  - A. Resolution Authorizing the Undertaking of a Project on Behalf of Lehigh Career and Technical Institute
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 the State Public School Building Authority was called to order on Thursday, December 15, 2016 at 10:31 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 Joseph B. Scarnati III)  
Tom Lebo, (Proxy for Senator Andrew Dinniman)  
Danielle Guyer, (Proxy for Representative Stanley Saylor)  
Alan Cohn, (Proxy for Representative Anthony M. DeLuca)  
Jennifer Langan, (Proxy for Treasurer Timothy A. Reese)  
Christal Pike-Nase, (Proxy for Auditor General Eugene A. DePasquale)  
Secretary of General Services Curtis M. Topper  
Ernie Helling, (Proxy for Secretary of Education Pedro A. Rivera)

**Authority Personnel Present**

Robert Baccon, Executive Director  
Beverly Nawa, Administrative Officer

**Also Present**

William McCarty, Esquire, Barley Snyder LLP  
Tiffany Raker, Assistant Legal Counsel, Department of the Auditor General  
Brad Remig, Managing Director, Public Financial Management

**Participated Via Conference Call**

Dr. Thomas Rushton, Executive Director, Lehigh Career and Technical Institute  
Patricia Bader, Business Administrator, Lehigh Career and Technical Institute  
Kevin Reid, Esquire, King, Spry, Herman, Freund & Faul, LLC

## **2. APPROVAL OF THE MINUTES OF THE MEETING OF NOVEMBER 17, 2016**

A copy of the minutes of the meeting of November 17, 2016, 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 November 17, 2016, 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 December 15, 2016.

## **3. FINANCIAL REPORT FOR THE MONTH OF OCTOBER 2016**

The Financial Report for the month of October 2016 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 October 2016 as received by this Board, be accepted and filed with the minutes of this meeting.

Upon **MOTION** by **Secretary Topper**, and **SECONDED** by **Ms. Pike-Nase**, and after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of December 15, 2016.

## **4. REVOLVING LOAN FUND**

Mr. Baccon explained that there were no project closings since the November meeting. He also mentioned that we have one pending project. The Community College of Allegheny County has requested a loan for \$3 million to upgrade their electrical systems.

## **5. APPROVAL OF PROJECTS**

### **A. Resolution Authorizing the Undertaking of a Project on Behalf of Lehigh Career and Technical Institute**

Mr. Baccon explained that the Lehigh Career and Technical Institute (LCTI) has requested that we issue a maximum of \$49,000,000 in revenue bonds to finance the refunding of our School Lease Revenue Bonds, Series of 2007 and the financing of certain capital improvements of LCTI.

The underwriter for the project is RBC Capital Markets, the Trustee is U.S. Bank and PFM is the Financial Advisor. After completion of a Request for Proposal and at the request of LCTI, the Office of General Counsel has appointed King, Spry, Herman, Freund & Faul as Bond Counsel for this issue. As part of the appointment, Turner Law will provide certain legal services.

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

Brad Remig, Managing Director of PFM is with us today and Dr. Thomas Rushton, Executive Director and Patricia Bader, Business Administrator of LCTI are participating by conference call to answer any questions board members may have.

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

Ms. Langan asked about the projected savings on the refunding.

Mr. Remig explained that they are not pricing the bonds for 60 days. They expect to get some present value savings but their goal is to afford the new project while keeping the payments the same.

Chairperson Heuer asked if board members had any other questions, 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  
LEHIGH CAREER AND TECHNICAL INSTITUTE**

**DOCKET NO. 2449**

**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 Lehigh Career and Technical Institute ( “LCTI”) consisting of the refunding of the State Public School Building Authority’s Lehigh Career and Technical Institute School Lease Revenue Bonds, Series of 2007 (the “2007 Bonds”), the financing of the construction and renovation of certain LCTI 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 LCTI, 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 \$49,000,000 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 School Lease Revenue Bonds (“Lehigh Career and Technical Institute Project)” with an appropriate series designation (such bonds being herein referred to as the “Bonds”). The Bonds may be issued pursuant to a bank loan or through the capital markets. The Bonds shall have a term not to exceed 30 years from the date of their issuance and delivery and shall bear interest at fixed or variable rates acceptable to LCTI, shall mature in such principal amounts and at such times, and shall be subject to redemption, all as approved by the Executive Director in consultation with LCTI and as further provided in a Bond Purchase Agreement hereinafter described.

In the event LCTI 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 Lehigh County Area Vocational Technical School Authority (“Vo-Tech Authority”) as record owner of the real and personal property comprising the educational facility utilized by LCTI (“Educational Facility”) will lease pursuant to a lease or supplemental lease the 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 LCTI the Educational Facility pursuant to a sublease or supplemental sublease (“Sublease Agreement”). The Sublease rental payments due by LCTI 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 LCTI pursuant to the terms of the lease and the Sublease Agreement, and shall be applied by LCTI for and toward the costs of the Project, including: (a) refunding of the 2007 Bonds, (b) construction and renovation of certain LCTI facility, including the building, fixtures, improvements, furnishings and equipment thereon, (c) the payment of the costs of issuance of the Bonds, including without limitation, printing costs, fees and expenses of bond counsel, the Authority Counsel, the underwriter and the financial advisor of LCTI, fees and expenses of the Trustee, and administrative costs and expenses of LCTI and the Authority, all upon submission of the proper documentation thereof, and (d) 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 LCTI. 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 or bank loan proposal (the “Bond Purchase Agreement”) with the successful underwriting firm or lending institution for the purchase of any series of the Bonds authorized hereunder in accordance with the terms of this Resolution, and the President, any Vice President, the Secretary or any Assistant Secretary or the Executive Director of the Authority is hereby authorized to execute and deliver the Bond Purchase Agreement on behalf of the Authority

and to take such further action as he or she deems necessary or advisable to carry out the obligations of the Authority thereunder.

5. The Authority does hereby authorize the execution and delivery of the following documents relating to the issuance of Bonds of any series authorized hereunder and the financing of the Project: the Indenture, the Lease 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, solely as to and for purposes of distribution, by the Executive Director of the Authority with the advice of Bond Counsel (as hereinafter defined). The Executive Director is hereby authorized to execute any such preliminary official statement or final official statement in the name and on behalf of the Authority, and such execution by the Executive Director of the Authority shall constitute conclusive evidence of the Authority's approval, solely as to and for purposes of distribution, of such documents. The circulation and distribution of copies of any such documents in connection with the offer and sale of the Bonds is hereby authorized.

The Underwriter, RBC Capital Markets LLC, is hereby authorized to purchase the Bonds upon the terms and conditions hereof and contained in the Bond Purchase Agreement. U.S. Bank National Association shall be and hereby is authorized to act as Trustee under the Indenture in connection with the issuance of the Bonds. After completion of a Request for Proposal, and at the request of LCTI, the Office of General Counsel has appointed King, Spry, Herman, Freund & Faul LLC as bond counsel for this issue ("Bond Counsel") and subcontractor Turner Law P.C. as a small diverse business firm providing certain public finance legal services.

8. The appropriate officers of the Authority are hereby authorized to take such further action and to execute and deliver in the name and on behalf of the Authority any and all other documents and certificates, 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.

9. 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.

10. 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.

11. 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 LCTI 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.

12. This Resolution shall take effect immediately upon its adoption, and all prior Resolutions or parts thereof inconsistent herewith are hereby repealed to the extent of such inconsistencies.

Upon **MOTION** by **Ms. Pike-Nase**, and **SECONDED** by **Mr. Helling**, and after full discussion the above Resolution was unanimously approved at the SPSBA Board Meeting of December 15, 2016.

**EXHIBIT A**

**LEHIGH CAREER AND TECHNICAL INSTITUTE**

<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>
2449	Lehigh	The current refunding of the 2007 Bonds and the financing of the construction and renovation of certain LCTI 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.	\$49,000,000

**Maximum Term:** 30 years

**Interest Rate:** Fixed

**Rating/Insurance:** To be determined

**Bond Counsel:** After completion of a Request for Proposal and at the request of LCTI, the Office of General Counsel has appointed King, Spry, Herman, Freund & Faul LLC as Bond Counsel, and subcontractor Turner Law P.C. as a small diverse business firm providing certain public finance legal services.

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

**Underwriter:** RBC Capital Markets LLC

**Minority, Veteran and/or Female Participation in this Financing:** Turner Law, P.C.

Approved at the SPSBA Board Meeting of December 15, 2016.

## **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 mentioned that our next board meeting is tentatively scheduled for Thursday, January 26, 2017.

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 **Secretary Topper**, and **SECONDED** by **Mr. Helling**, the SPSBA Board Meeting was adjourned at 10:34 a.m.

**SUNSHINE ACT MEETING NOTICES THURSDAY, DECEMBER 1, 2016**

**SUNSHINE ACT MEETING NOTICES**

Thursday, December 1, 2016

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

Cancelled, State Board of Examiners of Nursing Home Administrators Meeting, 12/7/2016, 9 AM, 2601 N. 3rd Street, HBG., Contact: Molly Smith 214-1891

Infant Hearing Screening Advisory Committee, 12/8/2016, 10:00, PA Department of Transportation Materials and Testing Laboratory, DGS Annex Complex, 81 Lab Lane, HBG., Contact: Joseph Wagner 783-8143

Department of Human Resources, Office of Developmental Programs, Information Sharing and Advisory Committee, 12/8/2016, 10 AM - 3: 30 PM, Capital Ballroom, Red Lion Inn, Lindie Rd, HBG., Contact: Jacqueline Epstein 783-8302

Rescheduled, State Board of Certified Real Estate Appraisers Meeting, 12/8/2016, 9 AM, 2601 N. 3rd Street, HBG., Contact: Molly Smith 214-1891

Pennsylvania Apprenticeship and Training Council Meeting, 12/8/2016, 10 AM, Labor and Industry Bldg., 17th floor, room 1714, 651 Boas Street, HBG., Contact: Eric Ramsay 787-6997

Special, Department of Education, State Board of Private Academic Schools Regulations Meeting, 12/12/2016, 9:00 AM, 3rd Fl. eCenter, 333 Market St., Contact: Ann Szwajkowski 717-787-4431

Ronald Harrison Burnett, III v. School District of Philadelphia, TIA 04-16, 12/13/2016, 10 AM, 333 Market Street, 9th Floor, HBG., Contact: Eunicejean M. Patrice 783-6945

Justice Reinvestment Initiative Workgroup Meeting, 12/14/2016, 1: 30 PM, County Commissioners Association Office Building, 2789 Old Post Road, HBG., Contact: Luanne Melia 265-8497

---

Special, State Public School Building Authority Meeting, 12/15/2016, 10:30 AM and PA Higher Educational Facilities Authority Meetings, 12/8/2016, 10:30 AM, Room 515 North Office Bldg., HBG., Contact: Bev Nawa 975-2204

---

Appeared in: *Patriot-News* on Thursday, 12/01/2016

Appendix A

STATE PUBLIC SCHOOL BUILDING AUTHORITY  
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY  
Notice of the Meeting of the Board to be Held  
December 15, 2016

---

This letter advises that a meeting of the Pennsylvania Higher Educational Facilities Authority Board will be held on **Thursday, December 8, 2016** and a meeting of the State Public School Building Authority Board will be held on **Thursday, December 15, 2016**. Both meetings will be 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 are copies of the notices that have 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

\* \* \* \* \*

Harrisburg, PA

I CERTIFY that the notice on the previous page for the December 15, 2016, meeting was dispatched to the following on November 29, 2016, at the addresses indicated, constituting all of the members of the Board of the State Public School Building Authority.

Thomas W. Wolf, Governor of Pennsylvania  
225 Main Capitol Building, Harrisburg, PA  
Steven S. Heuer, Proxy for Governor Wolf  
333 Market Street – 18<sup>th</sup> Floor, Harrisburg, PA  
Lloyd K. Smucker, Designated by the President Pro Tempore of the Senate  
351 Main Capitol Building, Harrisburg, PA  
Andrew E. Dinniman, Designated by the Minority Leader of the Senate  
182 Main Capitol Building, Harrisburg, PA  
Stanley E. Saylor, Designated by the Speaker of the House of Representatives  
105 Ryan Building, Harrisburg, PA  
Anthony M. DeLuca, Designated by the Minority Leader of the House of Representatives  
115 Irvis Office Building, Harrisburg, PA  
Timothy A. Reese, State Treasurer  
129 Finance Building, Harrisburg, PA  
Eugene A. DePasquale, Auditor General  
229 Finance Building, Harrisburg, PA  
Curtis M. Topper, Secretary of General Services  
515 North Office Building, Harrisburg, PA  
Pedro A. Rivera, Secretary of Education  
333 Market Street - 10th Floor, Harrisburg, PA

GIVEN under my hand and seal this 29th day of November 2016.

/s/ Robert Baccon

Robert Baccon, Executive Director  
State Public School Building Authority