

Meeting of the Board
STATE PUBLIC SCHOOL BUILDING AUTHORITY
March 30, 2017
Room 515 North Office Building
Harrisburg, Pennsylvania
10:28 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 26, 2017
3. Financial Reports for the Months of January & February 2017
4. 2017-2018 Fiscal Year Administrative Fund Budget
5. Revolving Loan Fund
 - A. Update
 - B. Resolution Authorizing the Extension of the Maximum Term to Ten Years
6. Approval of Projects
 - A. Resolution Authorizing the Undertaking of a Project on Behalf of the Community College of Philadelphia
7. Old Business
 - A. Project Update
8. New Business
9. 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, March 30, 2017 at 10:28 a.m. prevailing time, in Room 515 North Office Building, Harrisburg, Pennsylvania. The proof of the Sunshine advertisement and certification in regard to sending the notice of meeting is attached to these minutes and identified as Appendix "A".

Board Members Present

Steven Heuer, (Proxy for Governor Thomas W. Wolf)
Lisa Felix, (Proxy for Senator Andrew E. Dinniman)
Danielle Guyer, (Proxy for Representative Stanley E. Saylor)
Alan Cohn, (Proxy for Representative Anthony M. DeLuca)
Jennifer Langan, (Proxy for Treasurer Joseph M. Torsella)
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)

Board Members Absent

Senator John H. Eichelberger Jr.

Authority Personnel Present

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

Also Present

William McCarty, Esquire, Barley Snyder LLP
Lee Derr, Director Education Committee, Pennsylvania Senate

Participated Via Conference Call

Valarie Allen, Esquire, Ballard Spahr LLP
Andre Allen, Principal, Phoenix Capital Partners
Jacob Eapen, Vice President for Business & Finance, Community College of Philadelphia
Michael Moss, Managing Director, KeyBanc Capital Markets
Leigh Ann Lincoln, Chief Financial Officer, SAI at California University of Pennsylvania

Keith Skirpan, Senior Housing Accountant, SAI at California University of Pennsylvania
Chuck Brodbeck, Esquire, Cohen & Grigsby, P.C.
Andrew Maher, Esquire, Cohen & Grigsby, P.C.

2. APPROVAL OF THE MINUTES OF THE MEETING OF JANUARY 26, 2017

A copy of the minutes of the meeting of January 26, 2017, 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 26, 2017, be and hereby are approved as presented.

Upon **MOTION** by **Ms. Pike-Nase**, and **SECONDED** by **Mr. Helling**, and after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of March 30, 2017.

3. FINANCIAL REPORTS FOR THE MONTHS OF JANUARY & FEBRUARY 2017

The Financial Reports for the months of January & February 2017 were 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 Reports of the State Public School Building Authority for the months of January and February 2017 as received by this Board, be accepted and filed with the minutes of this meeting.

Upon **MOTION** by **Ms. Pike-Nase**, and **SECONDED** by **Ms. Langan**, and after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of March 30, 2017.

4. 2017-2018 FISCAL YEAR ADMINISTRATIVE FUND BUDGET

Chairperson Heuer explained that a copy of the 2017-2018 budget was e-mailed to board members. Chairperson Heuer asked Secretary Topper, as head of the Budget Committee, if he would like to offer any comments.

Secretary Topper indicated that the committee reviewed the proposed 2017-18 budget and recommends that it be formally adopted. The agenda summarizes the estimated revenue and expenditures for the upcoming year. The Authority is expected to finish the current fiscal year approximately \$150,000 under budget with an undesignated fund balance of \$9.4 million. Fund balance will decrease next year by \$1.5 to 2 million in FY 17-18 when the Authority is required to recognize its share of the Commonwealth's unfunded retiree healthcare liability (OPEB). The committee had a very good discussion and he feels very comfortable with the budget.

Chairperson Heuer asked if board members had any questions about the budget, and hearing none, he asked for a motion to approve the FY 2017-18 budget.

RESOLUTION APPROVING THE 2017-2018 FISCAL YEAR ADMINISTRATIVE FUND BUDGET

WHEREAS, the Administrative Budget for the State Public School Building Authority for the period July 1, 2017, through June 30, 2018, has been reviewed and recommended for approval by the Authority's Budget Committee;

NOW, THEREFORE, BE IT

RESOLVED That the Authority's Administrative Budget of \$1,709,000 for the fiscal year July 1, 2017, through June 30, 2018 be approved; AND BE IT

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

FURTHER RESOLVED That a copy of the 2017-2018 Budget, as approved, be 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 March 30, 2017.

5. REVOLVING LOAN FUND

A. Update

Mr. Baccon explained that we had no closings since the January meeting but we have three pending projects. The Community College of Allegheny County has requested a \$500,000 loan to pay for electrical system upgrades. The Northampton Community College has requested a \$2,400,000 loan to renovate the College's Center for Innovation and the Pennsylvania Highlands Community College has requested a \$15,000 loan to upgrade network and office equipment. These loans should close in April.

B. Resolution Authorizing the Extension of the Maximum Term to Ten Years

Mr. Baccon explained that board members received an e-mail last week summarizing the revolving loan fund. Over the years, several of our community college clients have expressed interest in longer repayment schedules since certain projects are not practical with a five-year term. We propose to increase the maximum loan term to ten years to provide schools with greater flexibility in financing capital projects.

Ms. Pike-Nase mentioned that Dave Player did a very nice job summarizing the revolving loan program. The Auditor General agrees that extending the repayment schedule is a good idea, especially since the clients are mostly community colleges and they are providing a good service throughout the Commonwealth.

Secretary Topper also complemented Dave Player on a good job and believed this is a good example of how we can be responsive to our clients.

Mr. Player thanked Secretary Topper and Chairperson Heuer on providing good advice with regard to the revolving loan program.

Chairperson Heuer asked that at future board meetings the board be informed on the status and if the longer term loans are being utilized.

Chairperson Heuer asked for a motion to approve the change to the revolving loan fund program.

RESOLUTION EXTENDING THE MAXIMUM TERM FROM FIVE YEARS TO TEN YEARS FOR THE REVOLVING LOAN FUND

WHEREAS, community colleges have expressed an interest in longer term loans to finance capital projects;

NOW, THEREFORE, BE IT

RESOLVED That the Authority's Revolving Loan Fund increase the maximum loan term from five years to ten years.

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 March 30, 2017.

6. APPROVAL OF PROJECTS

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

Mr. Baccon explained that the Community College of Philadelphia has requested that we issue a maximum of \$14,650,000 of Revenue Bonds to finance the current refunding of all or a portion of the Authority's Community College of Philadelphia Revenue Bonds, Series of 2007.

PNC Bank, has been selected as the Purchaser of the bonds. After completion of a RFP and at the request of the College, the Office of General Counsel has appointed Ballard Spahr and the Law Office of Frannie Reilly as Co-Bond Counsel.

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

Valarie Allen of Ballard Spahr, Andre Allen of Phoenix Capital Partners and Jacob Eapen, Vice President for Business and Finance of the College, are participating by conference call to answer any questions.

Chairperson Heuer asked if board members had any questions or comments, and hearing none, he asked for a motion to approve the resolution.

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

DOCKET NO. 2460

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The State Public School Building Authority (the "Authority") shall undertake a project (the "Project") on behalf of the Community College of Philadelphia (the "College") generally anticipated to consist of one or more of the following components: (i) the current refunding of all or a portion of the Authority's outstanding Community College of Philadelphia Revenue Bonds, Series of 2007 (the "2007 Bonds"); and (ii) the payment of certain costs of issuing the Bonds.

2. In order to finance the Project, the Authority will enter into a Bond Purchase and Loan Agreement (as hereinafter defined) among the College, the Authority and PNC Bank, National Association, as purchaser of the Bonds ("Purchaser") and shall issue up to \$14,650,000 (exclusive of any original issue discount) in aggregate principal amount of bonds to be in one or more series as either taxable or tax-exempt (which may be issued on the same or different dates) to be designated "State Public School Building Authority, College Revenue Refunding Bonds (Community College of Philadelphia Project), Series 2017" (or such other designation, as appropriate) with the appropriate alphabetical series designation, as applicable (the "Bonds"). The Bonds shall have a term not to exceed twenty (20) years and shall bear interest at fixed or variable rates acceptable to the College, shall mature in such principal amounts and at such times, and shall be subject to redemption and purchase, as applicable, all as approved by the Executive Director of the Authority in consultation with the College and further provided in one or more Bond Purchase and Loan Agreements (as hereinafter defined).

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 and the variable interest rate formula to be used in determining interest due on the Bonds thereafter and to take such other action as may be required in connection with a variable interest rate.

The Bonds shall be issued in such denominations and form and under such terms as shall be set forth in the Bond Purchase and Loan Agreement and approved by the Executive Director. The execution of the Bonds with the manual or facsimile signature of the President of the Authority and the Treasurer of the Authority together with a manual or facsimile of the official seal of the Authority and the attestation thereof by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority is hereby authorized. The Executive Director of the Authority is hereby authorized and directed to execute and deliver the Bonds to the Purchaser against receipt of the purchase price together

with any accrued interest, all in accordance with the requirements of the Bond Purchase and Loan Agreement.

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

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

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

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

7. The appropriate officers of the Authority, including the President, the Vice President, or 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, escrow agreement, loan agreement, bond, instrument or other document executed and delivered with respect to the financing of the Project (collectively, the "Bond Documents") requested by the College and approved by all other necessary parties, provided that (a) the officer executing the Amendment

shall have determined that the Amendment will not adversely affect the Authority, such determination to be conclusively evidenced by such officer's execution of the Amendment and (b) the Authority shall have received an opinion of counsel in form and substance satisfactory to the Authority that (i) the Amendment is permitted under the Act and the Bond Documents, and (ii) the Amendment will not adversely affect the excludability from gross income of interest on the Bonds for purposes of federal income taxation, if applicable.

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

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

Upon **MOTION** by **Ms. Pike-Nase**, and **SECONDED** by **Mr. Helling**, and after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of March 30, 2017.

EXHIBIT A

COMMUNITY COLLEGE OF PHILADELPHIA

<u>Docket Number</u>	<u>County</u>	<u>Project Description</u>	<u>Maximum Amount To be Financed</u>
2460	Philadelphia	(i) the current refunding of all or a portion of the Authority's outstanding Community College of Philadelphia Revenue Bonds, Series of 2007 (the "2007 Bonds"); (ii) the payment of certain costs of issuing the 2017 Bonds.	\$14,650,000*

Term: Not more than twenty (20) years.

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

Rating: "A2" (underlying from Moody's Investor Services, Inc.).

Minority, Veteran and/or female participation in this issue: Law Office of Frannie Reilly, LLC (Co-Bond Counsel) and Phoenix Capital Partners, LLP as Financial Advisor.

Bond Purchaser: PNC Bank, National Association

Bond Counsel: At the request of the College, the Office of General Counsel has appointed Ballard Spahr LLP and Law Office of Frannie Reilly, LLC as Co-Bond Counsel.

Approved at the SPSBA Board meeting of March 30, 2017.

* Exclusive of any original issue discount.

7. OLD BUSINESS

A. Project Update

Mr. Baccon explained that board members had a page from the February 13th edition of the Bond Buyer showing PHEFA & SPSBA were the 4th & 5th highest issuers in Pennsylvania during 2016. He noted that we remain one of the most active issuers in the Commonwealth. Since the beginning of the year, we have closed three SPSBA projects totaling over \$63 million. Other than the project in today's agenda, there are no pending projects.

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

8. 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.

9. ADJOURNMENT

There being no further business to come before the Board at this time, upon **MOTION** by **Mr. Helling**, and **SECONDED** by **Ms. Pike-Nase**, the SPSBA Board Meeting was adjourned at 10:35 a.m.

SUNSHINE ACT MEETING NOTICES THURSDAY, MARCH 23, 2017

SUNSHINE ACT MEETING NOTICES

Thursday, March 23, 2017

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

Special, State Conservation Commission Meeting/Conference Call, 3/24/2017, 4 PM, Room 405 - Department of Agriculture, 2301 N. Cameron Street, HBG., Contact: Barb Buckingham 787-8821, To participate in meeting call #717-612-4733 or Toll Free #1-855-750-1027 use PIN#033143

Rescheduled, State Board of Massage Therapy, 3/28/2017, 9:30 AM, One Penn Center, 2601 N Third Street, Boardroom C, HBG., Contact: Daniel Hull 775-8147

Special, Mining and Reclamation Advisory Board (MRAB) Regulation, Legislation and Technical (RLT) Committee Meeting, 3/30/2017, 10 AM, 14th Floor Conference Room, Rachel Carson State Office Building, 400 Market Street, HBG., Contact: Daniel E. Snowden, D.Ed. 783-8846, The meeting will also be offered in a conference call format, via Web-Ex

Special, State Public School Building Authority and Pennsylvania Higher Educational Facilities Authority Meetings, 3/30/2017, 10:30 AM, Room 515 ,North Office Bldg., HBG., Contact: Bev Nawa 975-2204

State Civil Service Commission Hearing, 4/3/2017, 4/5/2017, 4/7/2017, 4/10/2017, 4/18/2017, 4/21/2017, 9:30 AM, 4th Floor Hearing Room , Contact: Bernadette Hatok 787-6976

State Civil Service Commission Hearing, 4/13/2017, 4/20/2017, 10 AM, 4th Floor Hearing Room , Contact: Bernadette Hatok 787-6976

State Civil Service Commission Meeting, 4/19/2017, 10:30 A.M, 4th Floor Meeting Room , Contact: Bernadette Hatok 787-6976

Animal Health & Diagnostic Commission, 4/6/2017, 9:30 AM, Conference Room 309 -Department of Agriculture, 2301 N. Cameron Street, HBG., Contact: Deb Hepler 783-8300

Amusement Ride Safety Advisory Board meeting, 4/11/2017, 10 AM, Conference Room 309 - 2301 North Cameron Street, HBG., Contact: Walt Remmert 787-9089, Purpose of the meeting is to act on proposed agenda.

Appeared in: **Patriot-News** on Thursday, 03/23/2017

Appendix A

STATE PUBLIC SCHOOL BUILDING AUTHORITY
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY

Notice of the Meetings of the Board to be Held

March 30, 2017

Notice was in letterform, as follows:

This letter advises that meetings of the State Public School Building Authority and the Pennsylvania Higher Educational Facilities Authority Boards will be held on **Thursday, March 30, 2017**, 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 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 March 30, 2017, meeting was dispatched to the following on March 20, 2017, 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 – 18th Floor, Harrisburg, PA
John H. Eichelberger Jr., Designated by the President Pro Tempore of the Senate
173 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
245 Main Capitol Building, Harrisburg, PA
Anthony M. DeLuca, Designated by the Minority Leader of the House of Representatives
115 Irvis Office Building, Harrisburg, PA
Joseph M. Torsella, 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 20th day of March 2017.

/s/ Robert Baccon

Robert Baccon, Executive Director
State Public School Building Authority