

Meeting of the Board  
**STATE PUBLIC SCHOOL BUILDING AUTHORITY**  
August 13, 2015  
**Room 515 North Office Building**  
Harrisburg, Pennsylvania  
10:30 a.m. Prevailing Time

MINUTES

1. Call to Order, Filing of Proof of Sunshine Notice and of Sending Notice of the Meeting, Roll Call and Announcement of Quorum.
2. Approval of the Minutes of the Meeting of July 2, 2015.
3. Revolving Loan Fund.
4. Authority - Project Update.
5. Audit Committee Entrance Conference.
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, August 13, 2015 at 10:30 a.m. prevailing time, in Room 515 North Office Building, Harrisburg, Pennsylvania. The proof of the Sunshine advertisement and certification in regard to sending the notice of meeting is attached to these minutes and identified as Appendix "A".

**Board Members Present**

Steven Heuer, (Proxy for Governor Thomas W. Wolf)  
Kelly Phenicie, (Proxy for Senator Lloyd K. Smucker)  
Lisa Felix, (Proxy for Senator Andrew E. Dinniman)  
Dan Green, (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)

**Board Members Absent**

Speaker Mike Turzai

**Authority Personnel Present**

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

**Also Present**

William McCarty, Esquire, Hartman Underhill & Brubaker LLC  
Joel Snavely, Treasury Manager, Pennsylvania State System of Higher Education  
Nilda Sather, Senior Treasury Accountant, Pennsylvania State System of Higher Education

### **Participated Via Conference Call**

Margaret Angel, Esquire, Buchanan Ingersoll & Rooney, PC  
Gerald Farrell, Esquire, Ahmad Zaffarese LLC  
Skye Nickalls, Esquire, Dilworth Paxson LLP  
Andrew Maher, Esquire, Cohen & Grigsby, P.C.  
Gavin Murrey, Raymond James & Associates, Inc.  
Syed Zaidi, Director Facilities Management, East Stroudsburg University  
Edward Bucha, Executive Director, Slippery Rock University Foundation, Inc.

### **2. APPROVAL OF THE MINUTES OF THE MEETING OF JULY 2, 2015.**

A copy of the minutes of the meeting of July 2, 2015, was distributed to the Board Members prior to this meeting. It is therefore recommended that consideration be given to the adoption of the following Resolution:

RESOLVED That the minutes of the SPSBA meeting of July 2, 2015, be and hereby are approved as presented.

Upon **MOTION** by **Ms. Langan**, and **SECONDED** by **Ms. Pike-Nase**, and after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of August 13, 2015.

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

Mr. Baccon explained that we had no closings and there are no pending projects.

### **4. AUTHORITY – PROJECT UPDATE.**

Mr. Baccon explained that at the July meeting, Board members asked to be updated regarding the RFP process and how it is impacting the Authorities. Since the July meeting we have had no SPSBA projects come to us and one new PHEFA project. The new project is for the State System of Higher Education, which is required to use the RFP process for bond counsel appointment.

We received two inquiries from finance professionals about the new RFP process. One was an SPSBA client and we haven't heard anything definite from the SPSBA client to confirm that they will be financing through us and using the RFP process. The PHEFA client was Delaware Valley University. They were initially hesitant to go through the RFP process, but we gave them Shawn Smith's name and phone number. The underwriter has contacted Shawn. They may proceed because they did want to issue through us.

We were made aware that York College is in the process of refunding our 2005 issue and they have gone to a local authority because they did not want to go through the RFP process. They are using the York County Industrial Development Authority.

Prior to the July meeting we provided the Auditor General's office with names of some of the finance professionals that we deal with. We understand that the Auditor General spoke to at least a couple of the contacts that we provided. We understand from Ms. Pike-Nase that it is an ongoing process.

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

Secretary Topper said that it was mentioned at previous meeting that we should make sure that we are aggressively marketing the services of the Authority.

Mr. Baccon agreed that we would do that. He also mentioned that at the July 2<sup>nd</sup> meeting we had provided a letter to members and asked for comments. Since we haven't received any comments, we will send it out.

Ms. Pike-Nase explained that the Auditor General's Office had a concern that the first sentence may not be a good way of saying it. It makes it seem as though the Authorities have signed on to this process. It is really OGC's process, it is not ours. She believes that sentence should be removed, because it is not the Authority's process. There is a resolution that is on the PHEFA website that is inconsistent with what is in the letter. Chairperson Heuer commented that the paragraph could be better worded. After Mr. Baccon and Chairperson Heuer asked for a clarification as to how the paragraph should be reworded, Ms. Pike-Nase indicated that she could send a change later today to the Board and Mr. Baccon.

Ms. Langan explained that Treasury and Education work with some school districts that are very financially troubled. She does not believe that the bond counsel process for these districts should be the same for them just because of the troubled nature. She feels that it is hard to bring in bond counsel when there are so many other things that need to be considered. She does not believe it is fair to bring in a law firm to deal with a bond when they have to learn all of the background. She mentioned Philadelphia School District as an example.

Secretary Topper clarified that the premise is that the school district already has bond counsel who is sufficiently familiar with their situation and therefore likely to be a best value choice no matter what. He believed that we might suggest to OGC that in those instances we should be able to waive the process. Secretary Topper indicated that he would be glad to carry that message to OGC.

Ms. Pike-Nase said that the Auditor General's Office would support that as well because they deal with many of those school districts.

Secretary Topper said that we are trying to insure that we get the best value from the market place. On the Commonwealth's side we have that flexibility although we don't use it very often.

## **5. AUDIT COMMITTEE ENTRANCE CONFERENCE.**

Chairperson Heuer asked Ms. Pike-Nase if she wanted to brief the board on the entrance conference.

Ms. Pike-Nase explained that the audit committee met on July 16<sup>th</sup> with the new auditors, Maher Duessel. Four of the five audit committee members were present. Dave Player represented the Authority. Tracey Rash, Vice President and her associate Jennifer CruverKibi were at the meeting. They started their field work and it was evident that they already had a good handle on the financial affairs of the Authorities as well as their operations. She pointed out the Maher Duessel was chosen after a wide net search at the request of the Auditor General. It was a very successful RFP process. Dave Player did an excellent job. He sent out requests to 15 firms and six responded from Central Pennsylvania. They are happy to have the auditors in place and she believes that things are progressing well.

## **6. OLD BUSINESS.**

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

## **7. NEW BUSINESS.**

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

Ms. Pike-Nase noticed that it is very unusual to have no projects for SPSBA. She asked Mr. Baccon if he has received any comments from the school districts or is it just a process of the summer time.

Mr. Baccon said that summer time does play into it. He mentioned that we did get an inquiry from an underwriter for an SPSBA project but we have not heard anything back.

Chairperson Heuer asked if there was any other new business to come before the Board, and hearing none, he asked for a motion to adjourn.

## **8. ADJOURNMENT.**

There being no further business to come before the Board at this time, upon **MOTION** by **Ms. Langan**, and **SECONDED** by **Mr. Helling**, the SPSBA Board Meeting was adjourned at 10:41 a.m.

**SUNSHINE ACT MEETING NOTICES**

Thursday, July 30, 2015

**If you need an accommodation due to a disability,**

please contact the ADA contact name listed below

Public School Employees' Retirement Board Health Care Committee

Meeting: August 5, 2015, 9:00AM. 4th Fl., Board Rm., 5 N. 5th St., HBG.

PSER Board Finance Committee Mtg. at IOAM on 8/5/15, PSER Board

Appeals/Member Services Committee Mtg. at 8:30AM on 8/6/15, PSER

Board Bylaws/Policy Committee Mtg. at 9:30AM on 8/6/15, and PSER

Board Board Meeting at

10:00AM on 8/6/15.

Contact Name: Barbara Book 720-4749

State Civil Service Comm. Hearings: August 5, 2015, 10:00 AM. 4th Fl.

Hearing Rm., 320 Market St., HBG. Add'l Hearings scheduled: 8/6/15 and 8/25/15

**at the same above time and location.**

Contact Name: Michael Sullivan 787-5343

State Civil Service Comm. Hearing: August 11, 2015, 9:30AM. 4th Fl. Hearing

Rm., 320 Market St., HBG.

Contact Name: Michael Sullivan 787-5343

**Dept. of Environmental Protection, Aggregate Advisory Board Meeting:**

August 12, 2015, IOAM - 12 PM. RCSOB., 2nd Fl. Training Rm., 400 Market

St., HBG.

Contact Name: Daniel Snowden 783-8846

**Dept. of Banking and Securities - Banking and Securities Commission Meeting:**

August 12, 2015, 1:00PM. 1st Fl., Hearing Rm., 17 N. Second St., HBG.

Contact Name: Cathy Fagan 787-S383

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SPECIAL: State Public School Building Authority and PA Higher Educational

Facilities Authority Meetings: August 13, 2015, 10:30 AM. Rm.

515, North Office Bldg., HBG.

Contact Name: Bev Nawa 975-2204

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Appeared in: **Patriot-News** on Thursday, 07/30/2015

Appendix A

STATE PUBLIC SCHOOL BUILDING AUTHORITY  
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY  
Notice of the Meeting of the Board to be Held  
August 13, 2015

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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 **Thursday, August 13, 2015**, at **10:30 a.m.**, in **Room 515 North Office Building, Harrisburg**, Pennsylvania, for the purpose of: (a) approving certain projects for financing; and, (b) consideration of such other matters as may properly come before the Board.

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

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

Sincerely,

/s/ Robert Baccon

Robert Baccon  
Executive Director

Enclosures

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Appendix A



Harrisburg, PA

I CERTIFY that the notice on the previous page for the August 13, 2015, meetings was dispatched to the following on July 2, 2015, at the addresses indicated, constituting all of the members of the Board of the State Public School Building Authority and the Pennsylvania Higher Educational Facilities Authority.

Thomas W. Wolf, Governor of Pennsylvania  
225 Main Capitol Building, Harrisburg, PA  
Steven S. Heuer, Proxy for Governor Wolf  
333 Market Street – 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  
Mike Turzai, Speaker of the House of Representatives  
139 Main Capitol Building, Harrisburg, PA  
Anthony M. DeLuca, Designated by the Minority Leader of the House of Representatives  
115 Irvis Office Building, Harrisburg, PA  
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 27th day of July 2015.

/s/ Robert Baccon

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