

Meeting of the Board  
**PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY**  
May 26, 2011  
**SPSBA/PHEFA Conference Room**  
1035 Mumma Road  
Wormleysburg, Pennsylvania  
10:44 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 April 28, 2011.
3. Approval of Projects.
  - A. Resolution Authorizing the Undertaking of a Project on Behalf of the State System of Higher Education.
4. Old Business.
5. New Business.
  - A. Resolution Rescinding the Prevailing Wage Policy for the Pennsylvania Higher Educational Facilities Authority.
6. Adjournment.

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

1.

With a quorum of the Board being present, the meeting of the Board of the Pennsylvania Higher Educational Facilities Authority was called to order on Thursday, May 26, 2011 at 10:44 a.m. prevailing time, at the SPSBA/PHEFA Office, 1035 Mumma Road, 2<sup>nd</sup> Floor, Wormleysburg, 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**

Rick Dreher, (Proxy for Governor Thomas W. Corbett)  
Karen Seivard, (Proxy for Senator Jeffrey E. Piccola)  
Eileen Flinn, (Proxy for Senator Andrew E. Dinniman)  
Representative John C. Bear  
Representative Anthony M. DeLuca  
Christopher Craig, (Proxy for State Treasurer Robert M. McCord)  
Christal Pike-Nase, (Proxy for Auditor General Jack E. Wagner)  
Secretary of General Services Sheri L. Phillips  
Barbara Nelson, (Proxy for Secretary of Education Ronald J. Tomalis)

**Authority Personnel Present**

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

**Also Present**

Margaret Angel, Esquire, Buchanan Ingersoll & Rooney, PC  
Joel Snavely, Director of Treasury, State System of Higher Education  
Steve Dupes, State System of Higher Education  
Nilda Sather, Senior Treasury Accountant, State System of Higher Education  
Cate McKissick, Capitolwire.com  
James Newswender  
Abe Amoros, Pa Legislative Director, Laborers' International Union  
Stephen Tuckey, Esquire, Office of the Republican Leader of the House of Representatives  
Jennifer Langen, Esquire, Treasury Department

## **2. APPROVAL OF THE MINUTES OF THE MEETING OF APRIL 28, 2011.**

A copy of the minutes of the meeting of April 28, 2011, was distributed to the Board Members prior to this meeting. It is therefore recommended that consideration be given to the adoption of the following Resolution:

RESOLVED that the minutes of the PHEFA meeting of April 28, 2011, be and hereby are approved as presented.

Upon **MOTION** by **Secretary Phillips**, and **SECONDED** by **Representative Bear**, and after full discussion, the above Resolution was approved at the PHEFA Board Meeting of May 26, 2011.

## **3. APPROVAL OF PROJECTS.**

### **A. Resolution Authorizing the Undertaking of a Project on Behalf of the State System of Higher Education.**

Mr. Baccon explained that Board members should have a revised introduction and Resolution for this project. The revised Resolution includes the financing of capitalized interest. That was not included in the Resolution that was sent out with the agenda.

The State System of Higher Education has requested that we issue a maximum of \$130,000,000 in Revenue Bonds expected to finance auxiliary facilities renovation and construction and academic facilities renovation and construction at various State System universities.

The System has requested that the underwriting for the bonds be put out for public bid. Bid specifications will require that the successful underwriting syndicate include a minority and/or female-owned firm at the co-managing level. At the request of the System, the Office of General Counsel has appointed Saul Ewing LLP as the Bond Counsel for this issue. The Bank of New York Mellon Trust Company, N.A. will serve as Trustee for this issue.

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

Joel M. Snavelly, Treasury Manager of the State System is in attendance to answer questions.

Chairperson Dreher asked if Mr. Snavelly could provide more information about the auxiliary facilities renovations.

Mr. Snavely explained that there were some student housing and student rec center construction at various State System Universities. For the academic facilities there are technology infrastructure upgrades at California, a visual performing arts center at Millersville and property purchase at East Stroudsburg.

Chairperson Dreher asked if Board members had any questions, and hearing none, he asked for a motion to adopt the Resolution.

**RESOLUTION OF THE  
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY  
AUTHORIZING  
THE UNDERTAKING OF A PROJECT ON BEHALF OF THE  
STATE SYSTEM OF HIGHER EDUCATION**

**DOCKET NO. 612**

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

1. The Pennsylvania Higher Educational Facilities Authority (the "Authority") shall undertake the financing of a project (the "Project") on behalf of the State System of Higher Education (the "System") consisting of (i) auxiliary facilities renovation and construction at Bloomsburg, Indiana, Lock Haven, Millersville, Shippensburg, Slippery Rock, and West Chester Universities of Pennsylvania; (ii) academic facilities renovation and construction at California, East Stroudsburg, and Millersville Universities of Pennsylvania; and (iii) the financing of capitalized interest, contingencies and payment of costs and expenses incident to the issuance of the Bonds; provided, however, that the Executive Director or Assistant Executive Director of the Authority, at the request of the System, shall have the power to add, delete or substitute for any component of the Project but only to the extent permitted by the Pennsylvania Higher Educational Facilities Authority Act of 1967, as amended, and the Federal income tax laws from time to time in effect.

2. In order to finance the Project, the Authority will enter into one or more supplements to its existing Trust Indenture dated as of June 1, 1985, as supplemented (the "Indenture") with The Bank of New York Mellon Trust Company, N.A. (successor trustee to Mellon Bank, N.A., Chase Manhattan Trust Company, National Association, and J.P. Morgan Trust Company, National Association), (the "Trustee") and shall issue up to \$130,000,000 in aggregate principal amount of bonds in one or more series (which may be issued on the same or different dates) to be designated "Pennsylvania Higher Educational Facilities Authority State System of Higher Education Revenue Bonds, Series of 2011" with an appropriate alphabetical series designation, commencing with the letter "AM" (or a similar designation) (the "Bonds"). The Bonds shall have a term not to exceed 30 years and shall bear interest at a fixed or variable rate acceptable to the proper officers of the System, 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 System and as further provided in the proposal or other purchase agreement hereinafter defined and described.

In the event the System requests that the Bonds of any series bear interest at a variable rate rather than a fixed-rate, the Executive Director or Assistant 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, if any, to be used in determining interest due on the Bonds thereafter, and to appoint an indexing agent and/or remarketing agent and to take such other action as may be required in connection with a variable interest rate.

The Bonds shall be limited obligations of the Authority, payable only from payments made by the System under the Loan Agreement (defined herein). The Bonds shall be issued in such denominations and form and with such terms as shall be set forth in the supplement to the Indenture used in connection with the issuance of the Bonds (the "Supplemental Indenture") and approved by the Executive Director or Assistant Executive Director of the Authority. The execution of the Bonds with the manual or facsimile signature of the President 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 or Assistant 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, all in accordance with the requirements of the Indenture and/or any supplement thereto.

3. The proceeds from the sale of the Bonds shall be loaned to the System pursuant to the terms of one or more supplements to the Loan and Security Agreement between the Authority and the System dated as of June 1, 1985, as supplemented (the "Loan Agreement"), and shall be applied by the System for and toward the costs of the Project including (a) the payment of all or a portion of the costs of issuance of the Bonds, including without limitation, printing and reproduction costs, fees and expenses of bond counsel, the underwriter and the financial advisor of the System, fees and expenses of the Trustee, and administrative costs and expenses of the System and the Authority, all upon submission of the proper documentation thereof; (b) payment of the premium for a policy of municipal bond insurance, or other credit enhancement or liquidity enhancement if determined to be advantageous by the proper officers of the System; and (c) the funding of any required reserve fund and other funds established under the Indenture and the Supplemental Indenture.

4. The Executive Director or Assistant Executive Director in connection with the sale of any or all of the Bonds is hereby authorized and directed to advertise publicly for, or to solicit from and negotiate with the prospective purchaser or purchasers of the Bonds, proposals for the purchase of the Bonds and to sell and award the Bonds, or any part thereof, to the purchaser or purchasers offering to purchase the Bonds at a purchase price representing the lowest true interest cost to the Authority if the Bonds are sold at public sale or on such terms and conditions as are approved by the Executive Director or Assistant Executive Director with the approval of the proper officers of the System if the Bonds are sold in a private sale. The bid specifications in the Public Invitation for Proposals shall specify that the successful underwriting syndicate must include minority and/or female participation at the co-manager level. The President, any Vice President, the Executive Director or the Assistant Executive Director of the Authority is hereby authorized and directed to deliver the Bonds to the purchaser or purchasers thereof, determined as provided above, and to execute and deliver all documents in connection therewith.

5. The form of Public Invitation for Proposals and the form of Proposal, all with respect to the offering for sale of the Bonds, in the forms approved by the Executive Director or Assistant Executive Director with the advice of bond counsel and Authority counsel, is hereby authorized and approved. The Executive Director or Assistant Executive Director is hereby authorized and directed to distribute such forms of Public Invitation for Proposals and Proposal among and to prospective purchasers of the Bonds.

6. The President, any Vice President, the Executive Director or Assistant Executive Director of the Authority is hereby authorized, upon receipt of an acceptable Proposal for the purchase of any Series of the Bonds issued hereunder, or upon the private sale of the Bonds by negotiation, to enter into one or more purchase agreements for such purpose in accordance with the terms of this resolution and the President, any Vice President, the Secretary or any Assistant Secretary, or the Executive Director or Assistant Executive Director is hereby authorized to execute and deliver the particular purchase agreement or agreements 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.

7. 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: any supplement to the Indenture and the Loan Agreement; any remarketing agreement and/or indexing agent agreement if any series of Bonds shall bear interest at a variable rate; any insurance agreement or other agreement that may be required by the issuer of any municipal bond insurance policy or other credit enhancement for the 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 Office of General Counsel, the Attorney General of the Commonwealth and Authority Counsel and as shall be approved by the Executive Director or Assistant Executive Director of the Authority.

8. The President, the Vice President or the Executive Director or the Assistant Executive Director of the Authority shall be, and each of them is hereby authorized to execute, acknowledge and deliver in the name of and on behalf of the Authority, and the Secretary or Assistant Secretary and each of them is hereby 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.

9. Any preliminary official statement and/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 or the Assistant Executive Director of the Authority with the advice of bond counsel. The Executive Director or the Assistant Executive Director is hereby authorized to execute any such preliminary official statement and/or final official statement in the name of and on behalf of the Authority, and such execution by the Executive Director or the Assistant 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 placement or offering of the Bonds is hereby authorized.

10. The Bank of New York Mellon Trust Company, N.A. as successor Trustee to J.P. Morgan Trust Company, National Association, Pittsburgh, PA, as successor Trustee to Chase Manhattan Trust Company, National Association, and as successor trustee to Mellon Bank, N.A., 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 System, the Office of General Counsel has appointed Saul Ewing LLP as the Bond Counsel for this issue.

11. 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.

12. The Trustee shall be, by virtue of this Resolution and without further authorization from the Authority, authorized, directed and requested to invest and reinvest all moneys available therefor pursuant to the Indenture, which by the terms of such 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.

13. 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 and the Loan Agreement, the distribution of a preliminary official statement and/or final official statement and the issuance and sale of the Bonds, all in accordance with these Resolutions.

14. 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 **Representative DeLuca**, and **SECONDED** by **Ms. Pike-Nase**, and after full discussion, the above Resolution was approved at the PHEFA Board Meeting of May 26, 2011.

**EXHIBIT A**  
**STATE SYSTEM OF HIGHER EDUCATION**  
**SERIES AM OF 2011**

<b><u>Docket No.</u></b>	<b><u>Counties</u></b>	<b><u>Project Description</u></b>	<b><u>Maximum Amount to be Financed</u></b>
612	Various	(i) auxiliary facilities renovation and construction at Bloomsburg, Indiana, Lock Haven, Millersville, Shippensburg, Slippery Rock, and West Chester Universities of Pennsylvania; (ii) academic facilities renovation and construction at California, East Stroudsburg, and Millersville Universities of Pennsylvania; and (iii) the financing of capitalized interest, contingencies and payment of costs and expenses incident to the issuance of the Bonds.	\$130,000,000

Prevailing wage rates will be used on this Project.

**Term:** Up to 30 years.

**Rate:** Variable or Fixed.

**Rating/Insurance:** Prior to the issuance, a determination will be made whether to obtain bond insurance.

**Underwriter:** To be determined by Competitive Bid.

**Bond Counsel:** At the request of the System, Saul Ewing LLP has been appointed Bond Counsel by the Office of General Counsel.

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

**Minority and/or Female Participation in this Financing:** Bid specifications will be written to specify that the successful underwriting syndication must include minority and/or female participation at the co-manager level. McElwee & Quinn, a female-owned firm will serve as Printer.

Approved at the PHEFA Board Meeting of May 26, 2011.

**4. OLD BUSINESS.**

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

**5. NEW BUSINESS.**

**A. Resolution Rescinding the Prevailing Wage Policy For the Pennsylvania Higher Educational Facilities Authority.**

Chairperson Dreher explained that there was a draft Resolution in the agenda regarding the rescinding of the Prevailing Wage Policy. Subsequent to the distribution of the agenda, the Treasurer and the Auditor General sent a joint letter to Board members asking various questions on the proposed Resolution and requesting a postponement. In deference to this request from the Treasurer and the Auditor General, we can be amendable to postponing this item to future board meetings.

Ms. Pike-Nase and Mr. Craig thanked Chairperson Dreher.

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

**6. ADJOURNMENT.**

There being no further business to come before the Board at this time, upon **MOTION** by **Representative DeLuca**, and **SECONDED** by **Representative Bear**, the PHEFA Board Meeting was adjourned at 10:49 a.m.

**SUNSHINE ACT MEETING NOTICES**

Saturday, May 14, 2011

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

State Board of Psychology Meeting - May 16, 2011 - 9:00 A.M., 2601 N. Third St., HBG

Contact Name: Brandi Barrick - 214-1891

**State Architects Licensure Board Meeting** - May 19, 2011 - 9:00 A.M., 2601 N. Third St., HBG

Contact Name:Brandi Barrick - 214-1891

**CANCELLED:** PA Minority Business Development Authority (PMBDA) Board Meeting - May 19, 2011 - 10:00 A.M., Commonwealth Keystone Bldg., Conf. Rm. 4 East 4th Fl., 400 North St., HBG

Contact Name: C. Alan Walker - 787-3003

**Commonwealth of PA, Environmental Hearing Board Member Meeting** - May 19, 2011 - 10:00 A.M., RCSOB, Environmental Hearing Bd., 2nd Fl. Hrg. Rm., Rm. 2, 400 Market St., HBG

Purpose: To consider proposed rules of the Environmental Hearing Board Rules Committee.

Contact Name: Kathleen Berwager - 787-3483

**CANCELLED:** State Board of Physical Therapy - May 19, 2011 - 10:00 A.M., 2601 N. Third St., HBG

Contact Name: Brandi Barrick - 214-1891

**Tuition Account Program Advisory Board Meeting** - May 25, 2011 - 1:00 P.M., PHEAA Bd. Rm., 1200 N. Seventh St., HBG

Contact Name: Kathleen McGrath - 772-5000

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**SPECIAL:** PA Higher Educational Facilities Authority Meeting - May 26, 2011 - 10:30 A.M., 2nd Fl., 1035 Mumma Rd., Wormleysburg

Contact Name: Bev Nawa - 975-2204

**SPECIAL:** State Public School Building Authority Meeting - May 26, 2011 - 10:30 A.M., 2nd Fl., 1035 Mumma Rd., Wormleysburg

Contact Name: Bev Nawa - 975-2204

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**SPECIAL:** State Board of Education Special Meeting - May 26, 2011 - 11:00 A.M., eCenter, 3rd Fl., 333 Market St., HBG

Contact Name: Stephanie Jones - 787-3787

**SPECIAL:** PA State Police, Municipal Police Officers' Education and Training Commission Meeting - May 26, 2011 - 11:00 A.M., Municipal Police Officers' Education and Training Commission, 8002 Bretz Dr., HBG

Contact Name: Dr. E. Beverly Young - 346-7764

**PA State Veterans' Commission Meeting** - June 3, 2011 - 10:00 A.M., Department of Military and Veterans Affairs, Fort Indiantown Gap Community Club, Anville

Persons requiring special accommodations to attend this meeting should contact tracey Ditzler at 717-861-8902

Contact Name: Tracy Ditzler - 861-8902

**Department of Environmental Protection, Storage Tank Advisory Committee Meeting** - June 7, 2011 - 10:00 A.M., Rachel Carson State Office Bldg., 14th Fl. Conf. Rm., HBG

Add'l Mtgs: 9/13 and 12/6 same time and location

Contact Name: Charles Swokel - 772-5806

**State Charter School Appeal Board Meetings** - June 7, 2011 - 1:00 P.M., 333 Market St., Honors Ste., (1st Fl.), HBG

Add'l Mtgs: 7/26, 9/27, 10/25, 12/13, 2/21/12, 3/27, 4/24, 6/5, same time and location

Contact Name: Ernest Helling - 787-5500

**Tobacco Use Prevention and Cessation Advisory Committee Public Meeting** - June 8, 2011 - 1:00 P.M., Health & Welfare Bldg., Rm. 812, 625 Forester St., HBG

Time: 1-3:30 P.M. For more additional info, contact Judy Ochs, Div. of Tobacco Prevention & Control, 717-783-6600.

Contact Name: Judy Ochs - 783-6600

**PA Department of Agriculture, PA Dairy Promotion Program Commodity Marketing Board Meeting** - June 16, 2011 - 8:00 A.M., Wildwood Conf. Ctr., 1 HACC Dr., HBG

Contact Name: Lisa Perrin - 787-6903

**PA Department of Agriculture, Amusement Ride Safety Advisory Board Meeting** - June 21, 2011 - 10:00 A.M., PA Dept. of Ag., Rm. 309, 2301 N. Cameron St., HBG

Purpose: To act on the proposed agenda

Contact Name: Kent Shelhamer - 787-9089

**PA Game Commission Board of Commissioners Meeting** - June 27, 2011 - 8:30 A.M., PA Game Commission Bldg., 2001 Elmerton Ave., HBG

Purpose: To discuss Commission business. Add'l Mtg: 6/28/11 same time and location

Contact Name: Joan French - 787-7836]]>

Appeared in: **Patriot-News** on Saturday, 05/14/2011

Appendix A

STATE PUBLIC SCHOOL BUILDING AUTHORITY  
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY  
Notice of the Meeting of the Board to be Held  
May 26, 2011

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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, May 26, 2011**, at **10:30 a.m.**, at the **Authority Office, 1035 Mumma Road, Wormleysburg**, Pennsylvania, for the purpose of (a) approving the budget for fiscal year 2011-2012; (b) approving certain projects for financing; and, (c) consideration of such other matters as may properly come before the Board.

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

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

Sincerely,

/s/ Robert Baccon

Robert Baccon  
Assistant Executive Director

Enclosures

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Harrisburg, PA

I CERTIFY that the notice on the previous page for the May 26, 2011, meetings was dispatched to the following on May 11, 2011, 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  
Rick Dreher, Proxy for Governor Corbett  
7<sup>th</sup> Floor, Verizon Tower, Harrisburg, PA  
Jeffrey E. Piccola, 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  
183 Main Capitol Building, Harrisburg, PA  
John C. Bear, Designated by the Speaker of the House of Representatives  
145B East Wing, 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  
Jack E. Wagner, Auditor General  
229 Finance Building, Harrisburg, PA  
Sheri L. Phillips, Secretary of General Services  
515 North Office Building, Harrisburg, PA  
Ronald J. Tomalis, Secretary of Education  
333 Market Street - 10th Floor, Harrisburg, PA

GIVEN under my hand and seal this 11th day of May 2011.

/s/ Robert Baccon

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