

Meeting of the Board
STATE PUBLIC SCHOOL BUILDING AUTHORITY
September 19, 2013
Room 515 North Office Building
Harrisburg, Pennsylvania
10:34 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, 2013.
3. Financial Reports for the Months of June and July 2013.
4. Revolving Loan Fund.
5. Audit Committee Meeting.
6. Approval of Projects.
 - A. Resolution Authorizing the Undertaking of a Refunding Project on Behalf of The School District of the City of Harrisburg.
7. Old Business.
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, September 19, 2013 at 10:34 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

Brian Zweiacher, (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)
Lori Graham, (Proxy for Acting Secretary of Education Carolyn C. Dumaresq)

Authority Personnel Present

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

Also Present

William McCarty, Esquire, Hartman Underhill & Brubaker LLC
Deb Miller, Business Manager, The School District of the City of Harrisburg
Peggy Morningstar, Chief Financial Officer, The School District of the City of Harrisburg
Peter Edelman, Esquire, Stevens & Lee
Chris Hoffert, Director, PNC Capital Markets
John Frey, Director, Public Financial Management
Stephen Tuckey, General Counsel, Office of the Republican Leader, House of Representatives
Steven Heuer, Director, Bureau of Revenue, Capital and Debt, Governor's Budget Office
Ernie Helling, Assistant Chief Counsel, Department of Education

Participated Via Conference Call

Lynn Freeman, Esquire, Buchanan Ingersoll & Rooney, PC
Nicholas Falgione, Managing Director, PNC Capital Markets

2. APPROVAL OF THE MINUTES OF THE MEETING OF JULY 2, 2013.

A copy of the minutes of the meeting of July 2, 2013, 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, 2013, be and hereby are approved as presented.

Upon **MOTION** by **Ms. Pike-Nase**, and **SECONDED** by **Mr. Dempsey**, and after full discussion, the above Resolution was approved at the SPSBA Board Meeting of September 19, 2013.

3. FINANCIAL REPORTS FOR THE MONTHS OF JUNE & JULY 2013.

The Financial Reports for the months of June & July were emailed to Board Members prior to this meeting.

It is recommended that consideration be given to the adoption of the following Resolutions:

RESOLVED That the Financial Report of the State Public School Building Authority for the month of June 2013 as received by this Board, be accepted and filed with the minutes of this meeting.

Upon **MOTION** by **Ms. Pike-Nase**, and **SECONDED** by **Mr. Dempsey**, and after full discussion, the above Resolution was approved at the SPSBA Board Meeting of September 19, 2013.

RESOLVED That the Financial Report of the State Public School Building Authority for the month of July 2013 as received by this Board, be accepted and filed with the minutes of this meeting.

Upon **MOTION** by **Mr. Henning**, and **SECONDED** by **Ms. Pike-Nase**, and after full discussion, the above Resolution was approved at the SPSBA Board Meeting of September 19, 2013.

4. REVOLVING LOAN FUND.

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

5. AUDIT COMMITTEE MEETING.

Chairperson Zweiacher explained that the Audit Committee met on June 28, 2013 to discuss the 2013 audit. He asked Ms. Pike-Nase if she had any comments.

Ms. Pike-Nase indicated that the Audit Committee meeting went very well and that they had no edits to the financial statements. The exit conference will be held on October 3rd. The Department of the Auditor General might have some concerns about higher legal expenses. They will bring that up at the exit conference and they will make sure that the Board hears about it at the next meeting.

Mr. Player mentioned that the Audit Committee also reviewed the Investment Policy which is in conjunction with the Board's annual review. The committee had no changes to the Investment Policy. Mr. Player had copies of the policy available for Board Members.

6. APPROVAL OF PROJECTS.

A. Resolution Authorizing the Undertaking of a Refunding Project on Behalf of The School District of the City of Harrisburg.

Mr. Baccon explained that The School District of the City of Harrisburg has requested that we issue a maximum of \$25,000,000 of Revenue Bonds to finance the advance refunding of the SPSBA School Revenue Bonds, Series B of 2009.

PNC Capital Markets is the Underwriter and Manufacturers and Traders Trust Company is the Trustee for the Bond issue. At the request of the School District, the Office of General Counsel has appointed Stevens & Lee as the Bond Counsel for this issue.

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

Representatives from the project introduced themselves. Peggy Morningstar, Chief Financial Officer of the School District, Peter Edelman attorney with Steven & Lee serving as Bond Counsel, John Frey of PFM, Deb Miller, Business Manager of the School District and Nicholas Falgione of PNC Capital Markets is participating by phone.

Chairperson Zweiacher asked if Board Members had any comments or questions regarding this project.

Ms. Smeltz explained Senator Folmer is very concerned about the financial condition and recovery of Harrisburg including the School District. She felt it would be helpful to restate that this does not increase the amount or the length of the term

and have there been any problems in the past paying bond obligations. Also a concern about using the intercept language that we are seeing more and more.

Ms. Morningstar stated that she is not aware of any bond payments not being made. Ms. Miller agreed.

Mr. Edelman explained a couple of key points that are motivating the school district to complete this financing. The first is a traditional debt savings that will be achieved by incurring a lower interest rate. They are estimating approximately \$700,000 of savings to the school district. The bonds that are being refunded are part of the series of 2009 bonds that were issued at a time when the school district restructured almost all of its outstanding debt. At that time the Intercept Agreement was used for three series of bonds, including the Series B bonds that will be refunded as part of this transaction. The Intercept Agreement is already in place and using it adds significant credit strength to the financing. It allows the school district to achieve lower interest rates that it is anticipating as part of this refunding.

Mr. Falgione added that it is also consistent with the provisions of the recovery plan that the school district is now working under.

Mr. Edelman explained that the Board is probably aware that the school district was placed under Act 141. A Recovery Officer was appointed as part of that Act and is working very closely with the school district and has developed a plan for the school district to address all of its financial concerns. As a part of that plan, it identified the Series B 2009 Bonds as a likely candidate for refunding to achieve debt service savings for the school district. The financing that is before the board today is consistent with and encouraged by the Recovery Officer's plan.

Mr. Craig said that the Treasurer's Office has been in touch with Stevens & Lee and they have provided a significant amount of financial background related to Treasury's due diligence review of the pending Intercept Agreement that would be executed by the Treasurer. Their review of the documents is still going on, but they are inclined to support this because it would result in debt savings to the school district.

Mr. Craig asked what other pending, if any, Intercept Agreements there are. He understands that there is the existing one with the Treasurer's Office from 2009. He asked if the school district is subject to an intercept agreement from PSERS.

Ms. Miller said that she believed that anything they would be subject to would be what the school code defines.

Mr. Craig said that their research has found that they may be subject to an intercept agreement with PSERS. He asked that that be explored.

Representatives from the school district said that they would investigate that.

Mr. Craig understands that this is a refinancing that will take existing debt and refinance it under lower rates and the school district will enjoy the savings. According to the responses that the school district provided to the Treasurer, the proceeds from the original bond issue were for operating expenses, not capital expenses. He asked if that was continuing. Is the school district still relying on debt for operating expenses?

Ms. Morningstar said that the school district is not relying on debt for operating expenses.

Mr. Craig said that the objective of the school district is to have a minimum of 2% savings of net proceeds. He asked if something were to happen to the market and the 2% savings is not met, would the bonds be refunded.

Mr. Edelman explained that there is a second piece of this financing that is critical to the school district. Under the provisions of the Internal Revenue Code a school district's ability to borrow for working capital is extremely limited. The Internal Revenue Code requires that if the school district turns its finances around and begins to operate on a positive fund balance, then it is required to use that positive fund balance to prepay bonds early. The school district's finances are turning around as part of the recovery plan and they have begun to build up a fund balance. They don't want to be in a position to be required to use the fund balance to prepay bonds. As a part of the recovery plan, the fund balance is being built up on purpose so that it is available to cover other costs of the school district down the road, like a rainy day fund. Part of the resolution is contemplating that the bonds will be issued as either tax exempt or taxable. They are at the point now that they know the bonds will be issued on a taxable basis. That will allow the school district to eliminate that covenant that requires them to use the fund balance to pay down the bonds. Although the debt service savings is a critical part of the financing, relieving the restrictive covenant is important as well.

Mr. Craig asked if an entity were issuing taxable bonds, why would they come through the Authority. He thought that the value of this authority is that we can provide tax exempt financing for a school.

Mr. Edelman said that under normal circumstances a school district could issue taxable debt on its own behalf. There are a couple of reasons why they are using the Authority. It is critical that the structure remain in place from 2009, which includes the lease and sublease. The facilities that are under the current lease and sublease were started in 2009 and they want to amend that structure to issue the bonds. It is important for the school district to maintain that structure. There is some additional value by having the Authority issue the bonds. The most important value is

for the intercept. If the school district issued the debt on its own they would not have the ability to maintain that intercept structure.

Mr. Craig explained that one of the due diligence questions that his office asked for was a revenue projection through 2018 to include state, local, federal and other sources to see if the entity can afford the debt. The school district indicated revenue anticipated from the Commonwealth starting at about \$66.5 million going to \$75.3 million in 2018. Has the district received feedback from the Department of Education to know that this is a realistic projection.

Ms. Miller said that the number came from the recovery plan which was approved by the Department of Education. The revenue estimates used in the recovery plan were based on historical trends. The revenue projections came from the plan and that would have been approved.

Mr. Craig asked if the Department of Education had any insight as to whether or not the projections are realistic.

Ms. Graham said that she would have to get back to him on that.

Mr. Craig said that the Treasurer is not inclined to oppose the project and that they are very appreciative of the information that has been provided by the school district. It gives the Treasurer's Office a better understanding and more comfort. He has shared the questionnaires with the Chairman but he would be more than happy to share them with any member of the Board. It is the intent of the Treasurer that whenever debt involves an Intercept Agreement which they are required to sign off on, they are going to conduct this type of due diligence.

Chairperson Zweiacher asked that the answers to the outstanding questions be routed to Mr. Baccon and he will disseminate them to the entire Board.

Chairperson Zweiacher asked if there were any other questions regarding this project, 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 REFUNDING PROJECT
ON BEHALF OF
THE SCHOOL DISTRICT OF THE CITY OF HARRISBURG**

DOCKET NO. 2416

WHEREAS, the State Public School Building Authority (the "Authority") is authorized by the State Public School Building Authority Act, as amended (being a part of the Public School Code of 1949, as amended, 24 P.S. §791.1 et seq. (the "Act")), to lend funds to school districts for, among other purposes, refinancing outstanding bonds; and

WHEREAS, the Act further authorizes the Authority to issue revenue bonds for the purposes of paying the cost of any such projects and all incidental expenses incurred in issuing such bonds and to secure the payment of such bonds as provided by the Act; and

WHEREAS, the Authority, acting on behalf of The School District of the City of Harrisburg (the "School District"), has previously issued \$22,855,000 principal amount School Revenue Bonds (The School District of the City of Harrisburg Project) Series B of 2009 (the "2009B Bonds") the proceeds of which were used to acquire a leasehold interest in certain real property of the Authority; and

WHEREAS, the School District has requested the Authority to issue its School Revenue Bonds (The School District of the City of Harrisburg Project), Series of 2013, or similar designation (the "Bonds") in the estimated principal amount of \$25,000,000 for the purpose of advance refunding all of the 2009B Bonds (the "Project"); and

WHEREAS, the Bonds will be issued pursuant to a Trust Indenture dated as of May 1, 2009 (the "Original Indenture"), as amended and supplemented by a First Supplemental Trust Indenture (the "First Supplemental Indenture"), by and between the Authority and Manufacturers and Traders Trust Company or other trustee acceptable to the School District (the "Trustee"); and

WHEREAS, the Authority, at the request of the School District, previously entered into a Lease Agreement dated as of May 1, 2009, as amended and supplemented by a First Amendment to Lease Agreement dated as of October 7, 2011 (the "Original Lease") pursuant to which the School District, as lessor, agreed to lease certain real estate and the school buildings situated thereon (the "Leased Premises") to the Authority, as lessee, for a lump sum lease rental payment which was paid on the date of issuance of the 2009B Bonds; and

WHEREAS, concurrently with the issuance of the Bonds, the Authority and the School District will enter into a Second Amendment to Lease Agreement (the “Second Amendment to Lease”) to amend and supplement the Original Lease and to provide for a lump sum lease rental payment which will be paid on the date of issuance of the Bonds; and

WHEREAS, the Authority, at the request of the School District, previously entered into a Sublease Agreement dated as of May 1, 2009, as amended and supplemented by a First Amendment to Sublease Agreement dated as of October 7, 2011 (the “Original Sublease”) pursuant to which the Authority, as sublessor, agreed to sublease the Leased Premises to the School District, as sublessee, for certain annual sublease rental payments, which sublease rental payments were assigned by the Authority to the Trustee pursuant to an Assignment dated as of May 1, 2009, as payment and security for the 2009B Bonds; and

WHEREAS, concurrently with the issuance of the Bonds, the Authority and the School District will enter into a Second Amendment to Sublease Agreement (the “Second Amendment to Sublease”) to amend and supplement the Original Sublease (the Original Sublease, as amended and supplemented by the Second Amendment to Sublease, is referred to herein as the “Sublease”) and to provide for modified annual sublease rental payments with respect to the Bonds, which sublease rental payments shall be assigned by the Authority to the Trustee pursuant to an Assignment (the “Assignment”), as payment and security for the Bonds; and

WHEREAS, the School District’s payment obligations under the Sublease shall constitute lease rental indebtedness pursuant to the Pennsylvania Local Government Unit Debt Act, as amended (the “Debt Act”), for the repayment of which the School District will pledge its full faith, credit and taxing power; and

WHEREAS, the Authority, the Treasurer of the Commonwealth of Pennsylvania (the “State Treasurer”), the Department of Education of the Commonwealth of Pennsylvania (the “Department of Education”) and the School District will enter into an Amended and Restated State Appropriation Intercept Agreement (the “Intercept Agreement”), pursuant to which the School District will provide instructions to the Department of Education and authorize and direct the Department of Education and the State Treasurer to withhold the Commonwealth appropriations due to the School District on the dates and in the amounts set forth in the Intercept Agreement and to pay such withheld amounts directly to the Trustee, as assignee of the Authority under the Sublease, in satisfaction of the School District’s obligation to make lease rental payments under the Sublease; and

WHEREAS, if the School District elects to undertake a public offering of the Bonds, PNC Capital Markets LLC (the “Underwriter”) will act as underwriter of the Bonds, and in connection therewith, the Underwriter proposes to cause to be prepared and distributed to potential investors a final Official Statement (the “Official Statement”) with respect to the Bonds; and

WHEREAS, the Underwriter intends to present to the Authority and the School District a bond purchase agreement or other similar agreement (the “Bond Purchase Agreement”) to be entered into by and among the Underwriter, the Authority and the School District for the purchase of the Bonds; and

WHEREAS, if the School District elects to sell the Bonds directly to a financial institution, PNC Bank, National Association, as purchaser of the Bonds (the “Bank”) intends to present to the Authority and the School District a commitment letter, purchase agreement, continuing covenant agreement or other similar agreement (the “Covenant Agreement”) to be entered into by and among the Bank, the Authority and the School District; and

WHEREAS, a portion of the proceeds of the Bonds will be deposited in escrow pursuant to the terms of an escrow agreement (the “Escrow Agreement”), to be executed by and among the Authority, the School District and Manufacturers and Traders Trust Company, as escrow agent (the “Escrow Agent”), such that the proceeds of the Bonds, together with interest to be earned thereon (if any), will be held by the Escrow Agent in a separate escrow account and irrevocably pledged for the redemption of the 2009B Bonds, all as shall be set forth more fully in the Escrow Agreement; and

WHEREAS, the Authority desires to authorize the issuance, execution and delivery of the Bonds, the Bond Purchase Agreement, the First Supplemental Indenture, the Second Amendment to Lease, the Second Amendment to Sublease, the Assignment, the Intercept Agreement, the Covenant Agreement and the undertaking of the Project and desires to authorize its Executive Director or Assistant Executive Director to execute the Bonds, the First Supplemental Indenture, the Second Amendment to Lease, the Second Amendment to Sublease, the Assignment, the Bond Purchase Agreement, the Intercept Agreement, the Covenant Agreement and such other documents as shall be necessary or appropriate to issue the Bonds and to finance the Project; and

WHEREAS, the Bonds will be special, limited obligations of the Authority payable solely from pledged revenues and other moneys held for that purpose under the Original Indenture, as amended and supplemented by the First Supplemental Indenture (the Original Indenture, as amended and supplemented by the First Supplemental Indenture, is referred to herein as the “Indenture”), including payments under the Sublease and the Intercept Agreement, and neither the general credit of the Authority, nor the general credit or the taxing power of the Commonwealth of Pennsylvania or any political subdivision thereof, except the School District, shall be pledged for the payment of the Bonds nor shall the Bonds be deemed an obligation of the Commonwealth of Pennsylvania or any political subdivision thereof, except for the obligations of the School District under the Sublease.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. Approval of the Project and Plan. In accordance with the purposes and objectives of the Act, the Authority hereby approves of and undertakes the Project as described in the preambles of this Resolution, subject to such modifications as the Executive Director or Assistant Executive Director and counsel to the Authority shall approve.

2. Authorization of the Bonds. In order to provide funds to pay the costs of the Project, the Authority is hereby authorized to issue the Bonds in an aggregate principal amount not to exceed \$25,000,000 upon the terms and conditions contained in the Indenture and the Bond Purchase Agreement or the Covenant Agreement, as applicable, the execution of which is authorized hereby. The Bonds shall be dated and issued in denominations as set forth in the Indenture, without coupons; shall bear interest (either tax-exempt or taxable) payable semiannually at a fixed rate and shall be payable as provided for in the Indenture. The Bonds shall be redeemable in accordance with the Indenture and shall otherwise be substantially in the form set forth in the Indenture.

The Bonds are hereby approved with such additions, deletions and modifications as may be acceptable to counsel to the Authority and bond counsel, the approval of such additions, deletions and modifications to be conclusively evidenced by execution thereof as provided in Paragraph 3 hereof.

The Bonds shall be special obligations of the Authority payable only out of the payments made by the School District under the Sublease, and out of certain other moneys and investments held by the Trustee under the Indenture. The Bonds shall not be in any way a debt or liability of the Commonwealth of Pennsylvania or of any political subdivision thereof, other than the School District, and shall not create or constitute any indebtedness, liability or obligation of the Commonwealth of Pennsylvania, any political subdivision thereof, other than the School District, legal, moral or otherwise, nor shall the Bonds be payable out of any funds, revenues or properties of the Authority other than those pledged therefor.

3. Execution and Delivery of Bonds. The President, Treasurer and Secretary of the Authority are hereby authorized to execute the Bonds by manual or facsimile signature; the Secretary or any Assistant Secretary of the Authority is hereby authorized to affix the seal of the Authority on the Bonds; and following such execution, the officers of the Authority are hereby authorized to deliver or to cause to be delivered the Bonds to the Trustee for authentication, and after such authentication, to deliver them, or cause them to be delivered, to the Underwriter or the Bank, as applicable, against receipt of the purchase price and to deposit and disburse the amount so received as provided in the Indenture.

4. Authorization, Execution and Delivery of the First Supplemental Indenture. The Authority is hereby authorized to enter into the First Supplemental Indenture with the Trustee. The Executive Director or Assistant Executive Director is hereby authorized to execute the First Supplemental Indenture, upon the advice of counsel, and an appropriate officer is hereby authorized to attest the same, and to affix the seal of the Authority on the First Supplemental Indenture. Following such execution, the officers of the Authority are hereby authorized to deliver, or to cause to be delivered, the First Supplemental Indenture.

5. Authorization of the Second Amendment to Lease and Second Amendment to Sublease. The Authority is hereby authorized to enter into the Second Amendment to Lease with the School District. Pursuant to the Second Amendment to Lease, the Authority shall make a lump sum lease payment to the School District which shall be used by the School District to pay the costs of the Project. The Authority is hereby authorized to enter into the Second Amendment to Sublease with the School District, providing, in all events, for the School District to make lease rental payments in amounts sufficient to, among other things, meet the debt service requirements on the Bonds.

6. Authorization of Bond Purchase Agreement or Covenant Agreement. On or prior to the Issue Date, if the School District elects to undertake a public offering of the Bonds, the Authority is hereby authorized to enter into the Bond Purchase Agreement with the Underwriter and the School District providing for the sale of the Bonds to the Underwriter at a negotiated sale, at a price as approved by the President or Vice President of the Board of School Directors by execution of the Bond Purchase Agreement and approved by the Authority, and on such other terms as may be mutually agreed upon by all such parties.

On or prior to the Issue Date, if the School District elects to privately place the Bonds with the Bank, the Authority is hereby authorized to enter into the Covenant Agreement with the Bank and the School District providing for the purchase by the Bank of the Bonds, on such terms and conditions as approved by the President or Vice President of the Board of School Directors by execution of the Covenant Agreement and approved by the Authority.

7. Authorization of Intercept Agreement. On or prior to the Issue Date, the Authority is hereby authorized to enter into the Intercept Agreement with the State Treasurer, the Department of Education and the School District, pursuant to which the School District will provide instructions to the Department of Education and authorize and direct the Department of Education and the State Treasurer to withhold the Commonwealth appropriations due to the School District on the dates and in the amounts set forth in the Intercept Agreement and to pay such withheld amounts directly to the Trustee, as assignee of the Authority.

8. Authorization of Escrow Agreement. On the Issue Date, the Authority is hereby authorized to enter into the Escrow Agreement with the Escrow Agent and the School District providing for the refunding of the 2009B Bonds.

9. Execution and Delivery of Documents. The Executive Director or Assistant Executive Director of the Authority is hereby authorized to execute and deliver, in the name of the Authority and on its behalf, the following documents and to approve the final form and substance thereof, and to approve the exact principal amount and maturity or redemption dates of the Bonds (subject to paragraph 2 above), such approvals to be conclusively evidenced by the execution thereof, and an appropriate officer is hereby authorized to affix to all of the following documents the seal of the Authority and to attest to the same:

- a) The Bond Purchase Agreement;
- b) The Covenant Agreement;
- c) The First Supplemental Indenture and the Bonds;
- d) The Second Amendment to Lease;
- e) The Second Amendment to Sublease (and the Assignment);
- f) The Intercept Agreement;
- g) The Escrow Agreement; and
- h) Such other documents, agreements, instruments and certifications as may be requested by the School District, and as the executing officers determine to be reasonable and appropriate to provide for the issuance of the Bonds and to complete the financing for the Project as authorized by this Resolution.

Copies of the foregoing documents, together with the other documents relating to the transactions authorized hereby, in final form as executed and delivered by the parties thereto, shall be filed in the official records of the Authority.

10. Binding Effect of Covenants and Agreements. All covenants, obligations and agreements of the Authority set forth in this Resolution and in the documents authorized hereby shall be deemed to be the covenants, obligations and agreements of the Authority to the full extent authorized or permitted by law, and all such covenants, obligations and agreements shall be binding upon the Authority and its successors from time to time and upon any board or body to which any powers or duties affecting the same shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Authority or the members thereof by the provisions of this Resolution or the documents authorized hereby shall be exercised or performed by such members, officers or other representatives of the Authority as may be required or permitted by law to exercise or perform the same. No covenant, obligation or agreement herein contained or contained in any documents authorized hereby shall be deemed to be a covenant, obligation or agreement of any member, officer, agent or employee of the Authority in his or her individual capacity and neither the members of the Authority nor any officer executing the Bonds, the First Supplemental Indenture, the Second Amendment to Lease, the Second Amendment to Sublease, the Bond Purchase Agreement, the Covenant Agreement, the

Intercept Agreement, the Escrow Agreement or other documents authorized by this Resolution shall be liable personally thereunder or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

11. Preliminary Official Statement and Official Statement. The preparation of the Preliminary Official Statement and the Official Statement is hereby approved. The proper officers of the Authority are each hereby authorized to execute the final Official Statement, in the name and on behalf of the Authority, for distribution, and such officers are further authorized to certify that the Preliminary Official Statement is “deemed final” within the meaning of Rule 15c2-12 of the Securities and Exchange Act of 1934, as amended.

12. Amendment to Documents. 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 Project (collectively, the “Bond Documents”) requested by the School District 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. Bond Counsel. At the request of the School District, the Office of General Counsel has appointed Stevens & Lee as the Bond Counsel for this issue.

14. Further Action. Any member of the Authority 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.

15. Indemnification. The carrying out of this Resolution and any undertaking contemplated hereby is strictly conditioned upon (i) the School District promising to protect, indemnify and save the Authority, its members, directors, agents and employees, harmless on account of the transaction contemplated hereby and to pay any and all proper costs and expenses of the Authority therewith; (ii) the School District promising to pay all proper costs and expenses of the Authority in carrying out the Project; (iii) the School District promising that the Authority and its members, directors, agents and employees shall not be personally liable for any outstanding debt due under the Bonds, the Indenture, the Lease, the Sublease or otherwise, and (iv) the Authority’s liability and undertakings contemplated by the foregoing Resolution shall be special and limited and shall not constitute general obligations of the Authority nor an obligation of the Commonwealth of Pennsylvania, and said liability and obligation is payable solely from the full faith and credit of the School District and the other security that the School District may give; neither the general credit of the Authority nor the general credit or taxing power of the

Commonwealth of Pennsylvania or any political subdivision thereof, except for the School District, is pledged for the payment of the Bonds; the Authority has no taxing power.

16. Repeal of Inconsistent Resolutions. All prior resolutions or parts thereof inconsistent herewith are hereby repealed to the extent of such inconsistency.

Upon **MOTION** by **Ms. Pike-Nase**, and **SECONDED** by **Mr. Cohn**, and after full discussion, the above Resolution was approved at the SPSBA Board Meeting of September 19, 2013.

EXHIBIT A

**THE SCHOOL DISTRICT OF THE CITY OF HARRISBURG
SCHOOL REVENUE BONDS**

SERIES OF 2013

<u>Docket Number</u>	<u>County</u>	<u>Project Description</u>	<u>Maximum Amount To be Financed</u>
2416	Dauphin	(i) advance refunding of the State Public School Building Authority's School Revenue Bonds (The School District of the City of Harrisburg Project) Series B of 2009, issued in the original aggregate principal amount of \$22,855,000 (of which \$22,855,000 remains outstanding); (ii) the payment of the estimated costs and expenses associated with issuing and insuring the refunding bonds, and calling the prior issue.	\$25,000,000

Term: Not more than 7 years.

Rate: Fixed Rate.

Rating/Insurance: To be determined.

Underwriter: PNC Capital Markets LLC

Bank: PNC Bank, National Association

Bond Counsel: At the request of the School District, the Office of General Counsel has appointed Stevens & Lee, Reading, Pennsylvania, as Bond Counsel.

Trustee/Paying Agent: Manufacturers and Traders Trust Company

Minority, Veteran and/or Female participation in this transaction: To be determined by the School District in consultation with the Executive Director.

Approved at the SPSBA Board meeting of September 19, 2013.

7. OLD BUSINESS.

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

8. NEW BUSINESS.

Chairperson Zweiacher 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. Dempsey**, and **SECONDED** by **Mr. Henning**, the SPSBA Board Meeting was adjourned at 10:53 a.m.

SUNSHINE ACT MEETING NOTICES

Thursday, September 5, 2013

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

RESCHEDULED: State Board of Nursing Meeting: September 10, 2013, 8:30AM. 2601 N. 3rd St., HBG

Contact Name: Nicole Thurstin 787-6604

CANCELLED: State Board of Massage Therapy Meeting: September 10, 2013,

9:30AM. 2601 N. 3rd St., HBG

Contact Name: Nicole Thurstin 787-6604

CANCELLED: State Board of Nursing Home Administrators Meeting:

September 11, 2013, 9:00AM. 2601 N. 3rd St., HBG

Contact Name: Nicole Thurstin 787-6604

PA Apprenticeship and Training Meeting: September 12, 2013, 10:00 AM. Labor &

Industry Bldg., 17th Fl. Conference Rm., HBG

Contact Name: Debra Wagner 787-4671

Managed Care Delivery System Subcommittee Meeting: September 12, 2013,

10:00 AM. DGS Complex in the Clothes Tree Conference Ctr., HBG

Time: 10 AM- 12 PM.

Contact Name: Paula Matters 772-6196

RESCHEDULED: State Board of Funeral Directors Meeting: September 13, 2013, 11:00 AM. 2601 N. 3rd St., HBG

Contact Name: Nicole Thurstin 787-6604

SPECIAL: PA Higher Educational Facilities Authority Meeting: September 19,

2013, 10:30 AM. North Office Bldg., Rm. 515, HBG

Contact Name: Bev Nawa 975-2204

SPECIAL: State Public School Building Authority Meeting: September 19, 2013, 10:30 AM. North Office Bldg., Rm 515, HBG.

Contact Name: Bev Nawa 975-2204

Consumer Subcommittee Meeting of the Medical Assistance Advisory Committee: September 25, 2013, 1:00 PM. Health & Welfare Bldg., Rm.

129, HBG Time: 1 PM - 3 PM.

Contact Name: Daniel Sorge 772-6341

Medical Assistance Advisory Committee Meeting: September 26, 2013 11:00 AM. Temple University Harrisburg, Lecture Hall 246/248, 234 Strawberry Sq., HBG Time: 10 AM- 12 PM.

Contact Name: Daniel Sorge 772-6341

The Public Private Transportation Partnership Board Meeting: September 27,

2013, 1:00PM. Keystone Bldg., PUC Hearing Rm. 1, 2nd Fl., 400 North St., HBG This meeting is open to the public. Attendees must enter through the North Street

entrance and take the North Street elevators to the 2nd floor. If you need

an accommodation due to a disability, please contact the PADOT at 717-214-

4035 at

least 24 hours in advance so arrangements can be

made. Contact Name: Kathryn Tartaglia 214-

7222]]>

Appeared in: *Patriot-News* on Thursday, 09/05/2013

STATE PUBLIC SCHOOL BUILDING AUTHORITY
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
Notice of the Meeting of the Board to be Held
September 19, 2013

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, September 19, 2013**, 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 September 19, 2013, meetings was dispatched to the following on August 28, 2013, 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
Peter J. Tartline, Proxy for Governor Corbett
7th Floor, Verizon Tower, 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 28th day of August 2013.

/s/ Robert Baccon

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