

Meeting of the Board
STATE PUBLIC SCHOOL BUILDING AUTHORITY
July 2, 2013
Room 515 North Office Building
Harrisburg, Pennsylvania
10:31 a.m. Prevailing Time

MINUTES

1. Call to Order, Filing of Proof of Sunshine Notice and of Sending Notice of the Meeting, Roll Call and Announcement of Quorum.
2. Approval of the Minutes of the Meeting of May 30, 2013.
3. Financial Report for the Month of May 2013.
4. Revolving Loan Fund.
5. Investment Activity.
6. Approval of Projects.
 - A. Resolution Authorizing the Undertaking of a Project on Behalf of Montgomery County Community College.
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 Tuesday, July 2, 2013 at 10:31 a.m. prevailing time, in Room 515 North Office Building, Harrisburg, Pennsylvania. The proof of the Sunshine advertisement and certification in regard to sending the notice of meeting is attached to these minutes and identified as Appendix "A".

Board Members Present

Brian Zweiacher, (Proxy for Governor Thomas W. Corbett)
Tom Lebo, (Proxy for Senator Andrew E. Dinniman)
Stephen Tuckey, (Proxy for Representative Warren E. Kampf)
Sean Brennan, (Proxy for Representative Anthony M. DeLuca)
Jennifer Langan, (Proxy for Treasurer Robert M. McCord)
Auditor General Eugene A. DePasquale
James Henning, (Proxy for Secretary of General Services Sheri L. Phillips)
Nichole Duffy, (Proxy for Acting Secretary of Education William E. Harner)

Board Members Participating by Conference Call

Jennifer Smeltz, (Proxy for Senator Michael J. Folmer)

Authority Personnel Present

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

Also Present

William McCarty, Esquire, Hartman Underhill & Brubaker LLC
Christal Pike-Nase, Deputy Chief Counsel, Department of the Auditor General

Participated Via Conference Call

Margaret Angel, Esquire, Buchanan Ingersoll & Rooney, PC
Dr. Karen Stout, President, Montgomery County Community College
Brent Parker, Associate Vice President for Finance & Administration, Montgomery County Community College
Thomas Freitag, Vice President of Administration & Finance, Montgomery County Community College

Paul Clancy, Director, Municipal Finance, RBC Capital Markets, LLC
Louis Mayer, Vice President for Financial Affairs & Treasurer, Saint
Joseph's University

Kevin Cunningham, Esquire, Ballard Spahr LLP

Ted Matozzo, Vice President, Merrill Lynch, Pierce, Fenner & Smith, Inc.

Joseph Baker, Senior Vice President of Administration & Finance, Widener
University

2. APPROVAL OF THE MINUTES OF THE MEETING OF MAY 30, 2013.

A copy of the minutes of the meeting of May 30, 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 May 30, 2013, be and hereby are approved as presented.

Upon **MOTION** by **Ms. Langan**, and **SECONDED** by **Mr. Brennan**, and after full discussion, the above Resolution was approved at the SPSBA Board Meeting of July 2, 2013.

3. FINANCIAL REPORT FOR THE MONTH OF MAY 2013.

The Financial Report for the month of May was emailed to Board Members prior to this meeting.

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

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

Upon **MOTION** by **Mr. Tuckey**, and **SECONDED** by **Mr. Brennan**, and after full discussion, the above Resolution was approved at the SPSBA Board Meeting of July 2, 2013.

4. REVOLVING LOAN FUND.

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

5. INVESTMENT ACTIVITY.

Mr. Baccon explained that there is an update regarding investment activity included in the agenda. Dave can answer any questions that Board Members may have.

6. APPROVAL OF PROJECTS.

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

Mr. Baccon explained that the Montgomery County Community College requested that we issue a maximum of \$58,300,000 of Revenue Bonds to finance the renovation, upgrade and addition to the Physical Education building for a new integrated Health Sciences Center and other capital projects including enhancements to recreational and athletic facilities. Proceeds may also be used for the advanced refunding of all or a portion of the Authority's College Revenue Bonds, Series of 2005.

RBC Capital Markets will serve as Underwriter and The Bank of New York Mellon Trust Company as the Trustee for this issue. At the request of the College, the Office of General Counsel has appointed Saul Ewing as Bond Counsel.

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

Paul Clancy, of RBC, Dr. Karen Stout, President, Thomas Freitag, Vice President of Administration & Finance and Brent Parker, Associate Vice President of Finance & Administration, all of the Community College, are participating by conference call to answer any questions.

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

Ms. Langan asked if there is a portion that is fixed and a portion that is variable rate because the resolution mentions both.

Mr. Clancy explained that the intent is to be completely fixed rate. The variable rate is mentioned to have flexibility.

Mr. Henning asked what the estimated cost savings from the financing is and if the maturity date will change.

Mr. Clancy explained that the net present value savings should be between 4 ½% and 5% which is around \$2,000,000. The maturity date will remain the same.

Chairperson Zweiacher asked if Board Members had any other comments or questions regarding this Resolution, 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
MONTGOMERY COUNTY COMMUNITY COLLEGE**

DOCKET NO. 2415

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 Montgomery County Community College (the "College") generally anticipated to consist of one or more of the following components: (i) renovation, upgrades and additions to the Physical Education building for a new integrated Health Sciences Center located at 340 DeKalb Pike, Blue Bell, PA on the College's Central Campus; (ii) other capital projects located on the College's Central Campus including enhancements to recreational and athletics facilities to support the College's goals of building student and community engagement; (iii) the advance refunding of all or a portion of SPSBA's Montgomery County Community College Revenue Bonds, Series of 2005 (the "2005 Bonds"); (iv) the payment of certain costs of issuing the Bonds (defined below) (including bond insurance or other forms of credit enhancement if advantageous to the College).

2. The Authority and The Bank of New York Mellon Trust Company, N.A. (the "Trustee") have heretofore entered into a Trust Indenture dated as of June 1, 2008 (the "2008 Indenture"). In order to finance the Project, the Authority may enter into either a First Supplemental Trust Indenture supplementing the 2008 Indenture or a new Trust Indenture between the Authority and the Trustee (in either case, the "Indenture") and shall issue up to \$58,300,000 (exclusive of any original issue discount) in aggregate principal amount of bonds to be in one or more series (which may be issued on the same or different dates) to be designated "State Public School Building Authority, College Revenue Bonds (Montgomery County Community College Project), Series of 2013" (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 thirty (30) years and shall bear interest at a fixed and/or variable rate 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 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 appoint an indexing agent, marketing agent, one or more broker-dealers and an auction agent and/or a remarketing agent 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 Indenture used in connection with the issuance of the Bonds 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 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.

3. The Authority and the College have heretofore entered into a Loan Agreement dated as of June 1, 2008 (the "2008 Loan Agreement"). The proceeds from the sale of the Bonds shall be loaned to the College pursuant to the terms of either a First Supplemental Loan Agreement supplementing the 2008 Loan Agreement or a new Loan Agreement between the College and the Authority (in either case, the "Loan Agreement") and shall be applied by the College for and towards the costs of the Project.

4. The President, any Vice President or the Executive Director is hereby authorized to negotiate with the underwriter hereinafter appointed for an acceptable proposal for the purchase of the Bonds issued hereunder, to enter into one or more purchase agreements (each, a "Bond Purchase 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 each Bond Purchase 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 Indenture, Loan Agreement, Bond Purchase Agreement, any remarketing agreement and/or indexing agent agreement if any series of Bonds shall bear interest at a variable rate and any escrow agreements required in connection with any 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, the Executive Director and any Assistant 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 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.

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 aforesaid documents. The execution of the aforesaid documents as hereinabove authorized shall be deemed to conclusively evidence the approval of the Authority of the forms of said documents.

9. The form of any preliminary official statements, reoffering circulars, remarketing circulars and/or final official statements (collectively, the "Offering Documents") which may be used in connection with the sale and issuance of the Bonds or in connection with the refunding of the 2005 Bonds shall be approved by the Executive Director of the Authority with the advice of Bond Counsel and Authority Counsel. The Executive Director shall be and hereby is authorized and directed to execute any such final Offering Documents, and such execution by the Executive Director of the Authority shall constitute conclusive evidence of the Authority's approval of the form of such documents. The Authority is hereby authorized to circulate and distribute copies of any such Offering Documents in connection with the Project.

10. RBC Capital Markets, LLC is hereby appointed Underwriter for the Bonds (the "Underwriter"). The Underwriter has selected Dilworth Paxson LLP as Underwriters' Counsel.

11. 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 **Mr. Brennan**, and **SECONDED** by **Mr. Tuckey**, and after full discussion, the above Resolution was approved at the SPSBA Board Meeting of July 2, 2013.

EXHIBIT A

MONTGOMERY COUNTY COMMUNITY COLLEGE

<u>Docket Number</u>	<u>County</u>	<u>Project Description</u>	<u>Maximum Amount To be Financed</u>
2415	Montgomery	(i) renovation, upgrades and additions to the Physical Education building for a new integrated Health Sciences Center located at 340 DeKalb Pike, Blue Bell, PA on the College's Central Campus; (ii) other capital projects located on the College's Central Campus including enhancements to recreational and athletics facilities to support the College's goals of building student and community engagement; (iii) the advance refunding of all or a portion of SPSBA's Montgomery County Community College Revenue Bonds, Series of 2005; (iv) the payment of certain costs of issuing the Bonds (defined below) (including bond insurance or other forms of credit enhancement if advantageous to the College).	\$58,300,000*

Term: Not more than thirty (30) years.

Rate: Fixed Rate not to exceed 7.00% per annum. Variable Rate not to exceed 12.00% per annum.

Rating: College rating - Aa3; project rating to be determined.

Minority, Veteran and/or female participation in this issue: McElwee & Quinn.

Underwriter: RBC Capital Markets, LLC.

Bond Counsel: At the request of the College, the Office of General Counsel has appointed Saul Ewing LLP as Bond Counsel.

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

Approved at the SPSBA Board meeting of July 2, 2013.

* Exclusive of any original issue discount.

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 mentioned that Mr. Baccon wanted to discuss an item that may be coming before the Board.

Mr. Baccon explained that the underwriting firm of RW Baird approached the Authority about the possible financing for Commonwealth Connections Academy, which is a Cyber Charter School. They would like to finance \$3,900,000 to purchase computers. The financing would be a three year bank loan, but it would be going through the Authority as the conduit to make it tax exempt. The charter of the school would go beyond the three years that the project would be financed for. Mr. Baccon explained to the Underwriter that the Authority has never done a charter school, although we have a legal opinion that says we can finance charter schools. He said that we would wait to hear from the members of the Board as to what their feelings are regarding this type of financing.

Mr. Langan requested a copy of the legal opinion.

Mr. Baccon said that we would e-mail it to Board Members.

Auditor General DePasquale asked if financing the purchase of computers is out of the normal realm of what the Authority finances.

Mr. Baccon said that it was not.

Ms. Pike-Nase explained that the cyber schools already get computers under the Public School Code through the state. She believes that we would have to justify any project like this, that it would be in compliance with the Public School Code. She asked Ms. Duffy to elaborate on this.

Ms. Duffy said that she would have to check but believes that computers are purchased through monies that the cyber schools receive through tuition. She did not believe that this would be different than any other school purchasing computers.

Ms. Langan asked if staff had copies of the school's financial statements.

Ms. Duffy said that the 2011-2012 financial reports are posted on the Department of Education's website.

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. Tuckey**, and **SECONDED** by **Mr. Henning**, the SPSBA Board Meeting was adjourned at 10:45 a.m.

SUNSHINE ACT MEETING NOTICES

Thursday, June 20, 2013

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

Premeeting Work Session of the Public Employee Retirement Commission: June 25, 2013, 1:00 PM. 461 Main Capitol Bldg., HBG

Contact Name: Rose Hutchison 783-6100

Regular Monthly Meeting of the Public Employee Retirement Commission: June 25, 2013, 1:30 PM. 461 Main Capitol Bldg., HBG

Contact Name: Rose Hutchison 783-6100

SPECIAL: State Board of Education, College Textbook Policies Advisory

Committee Meeting Conference Call: June 26, 2013, 10:00 AM. State Board Office,
1st Fl., 333 Market St., HBG

For PA Relay Service, please dial 800-654-5984.

Contact Name: Stephanie Jones 787-3787

SPECIAL: PA Higher Educational Facilities Authority Meeting: July 2, 2013, 10:30 AM. North Office Bldg., Rm. 515, HBG

Contact Name: Bev Nawa 975-2204

SPECIAL: State Public School Building Authority Meeting: July 2, 2013, 10:30 AM. North Office Bldg., Rm. 515, HBG

Contact Name: Bev Nawa 975-2204

State Board of Education, Ad Hoc Committee on Private School Accreditation - Conference Call Meeting: July 8, 2013, 9:00 AM. eCenter, 3rd Fl., 333 Market St., HBG

For PA Relay Service dial 800-654-5984.

Contact name: Stephanie Jones 787-3787

PA Council On The Arts Meeting: July 11, 2013, 9:00 AM.

Dixon University Ctr., Richards Hall, 2986 N. 2nd St., HBG

Contact Name: Amy Gabriele 525-5547

Infant Hearing Screening Advisory Committee Meeting: July 11, 2013, 10:00 AM. PATTAN Office, 6340 Flank Dr., HBG Time: 10 AM - 3 PM.

Contact Name: Arthur Florio 783-8143

Newborn Screening and Follow-Up Program Meeting: July 11, 2013, 10:00 AM. PaTTAN Office, 6340 Flank Dr., HBG Time: 10 AM - 3 PM.

Contact Name: Arthur Florio 783-8143

Health, Bureau of Communicable Disease, Division of HIV/AIDS, HIV Planning Group (HPG) Meetings: July 17 & 18, 2013, 9:00 AM. Park Inn Radisson, Harrisburg West, 5401 Carlisle Pike, Mechanicsburg, PA 17050, 888-253-1628.

Time: 9 AM - 4 PM.

Contact Name: John Haines 703-9171

Renal Disease Advisory Committee Meeting: July 19, 2013, 10:00 AM. Health & Welfare Bldg., Conference Rm. 907, 625 Forster St., HBG

Time: 10 AM - 1 PM.

Contact Name: Carolyn Cass 772-2762]]>

Appeared in: ***Patriot-News*** on Thursday, 06/20/2013

STATE PUBLIC SCHOOL BUILDING AUTHORITY
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
Notice of the Meeting of the Board to be Held
July 2, 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 **Tuesday, July 2, 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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Appendix A

Harrisburg, PA

I CERTIFY that the notice on the previous page for the July 2, 2013, meetings was dispatched to the following on June 11, 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
William E. Harner, Acting Secretary of Education
333 Market Street - 10th Floor, Harrisburg, PA

GIVEN under my hand and seal this 11th day of June 2013.

/s/ Robert Baccon

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